

Gartner Danmark ApS

Kalvebod Brygge 45, 3. sal.
1560 København V
Denmark

CVR no. 12 51 68 35

Annual report 2017

The annual report was presented and approved at
the Company's annual general meeting on

25 May 2018

Paola Farina
chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Gartner Danmark ApS for the financial year 1 January – 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.


Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 25 May 2018
Executive Board:


Elin Gaare Ronesen

Board of Directors:


Paola Farina
Chairman
Craig Warren Safian
Elin Gaare Ronesen



Independent auditor's report

To the shareholder of Gartner Danmark ApS

Opinion

We have audited the financial statements of Gartner Danmark ApS for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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 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.



Independent auditor's report

- 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 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 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 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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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 the Management's review.

Copenhagen, 25 May 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Mark Palmberg
State Authorised
Public Accountant
MNE no. 34319

Gartner Danmark ApS
Annual report 2017
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Management's review

Company details

Gartner Danmark ApS
Kalvebod Brygge 45, 3. sal.
1560 København V
Denmark

Telephone:	+45 45 58 64 00
Website:	www.gartner.com
E-mail:	gartner.danmark@gartner.com

CVR no.:	12 51 68 35
Established:	1 September 1988
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Paola Farina, Chairman
Craig Warren Safian
Elin Gaare Ronesen

Executive Board

Elin Gaare Ronesen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Annual general meeting

The annual general meeting will be held on 25 May 2018.

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Gross margin	71,114	75,225	55,214	55,584	38,772
Operating profit	7,355	17,259	8,131	13,411	3,220
Profit/loss from financial income and expenses	-287	-456	-576	-53	-241
Profit for the year	5,353	12,917	5,706	10,017	2,148
Total assets					
Equity	81,025	79,264	91,709	88,853	73,015
	13,038	9,685	15,767	26,061	16,044
Ratios					
Return on assets	9.2%	20.2%	9.0%	16.6%	4.5%
Equity ratio	16.9%	12.2%	18.3%	29.3%	24.7%
Return on equity	47.1%	97.7%	26.6%	45.4%	12.7%
Average number of employees					
	40	36	35	33	29

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations & Ratios 2016".

The financial ratios have been calculated as follows:

Return on assets
$$\frac{\text{Profit/loss from ordinary operating activities}}{\text{Average assets} \times 100}$$

Return on equity
$$\frac{\text{Profit/loss for the year}}{\text{Average equity} \times 100}$$

Equity ratio
$$\frac{\text{Closing equity}}{\text{Equity and liabilities at year end} \times 100}$$

Management's review

Operating review

Principal activities

Gartner Danmark ApS is part of the world's leading information technology research and advisory company. We deliver the technology-related insight necessary for our clients to make the right decisions every day.

Development in activities and financial position

The income statement for 2017 shows a profit of DKK 5,353 thousand against a profit of DKK 12,917 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 13,038 thousand against equity of DKK 9,685 thousand last year.

The results are considered satisfactory. Prior year, the entity expected a profit which was realised this year.

Events after the balance sheet date

No events have occurred after the balance sheet date that may significantly affect the Company's financial position.

Outlook

For the coming financial year, the Board of Directors still expects a profit.

Intellectual capital

Gartner Danmark ApS aims to attract and retain talented employees with relevant knowledge and experience within their competencies to maintain and further develop our business and intellectual capital.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Gross profit		71,114	75,225
Staff costs	2	-63,027	-57,537
Depreciation and impairment losses on property, plant and equipment		-732	-429
Operating profit		7,355	17,259
Financial income		96	1
Financial expenses		-383	-457
Profit before tax		7,068	16,803
Tax on profit for the year	3	-1,715	-3,886
Profit for the year	4	5,353	12,917

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		1,185	1,548
Leasehold improvements		1,016	1,311
		<u>2,201</u>	<u>2,859</u>
Investments			
Deposits	6	547	624
		<u>547</u>	<u>624</u>
Total fixed assets		<u>2,748</u>	<u>3,483</u>
Current assets			
Receivables			
Trade receivables		39,002	38,478
Receivables from group entities		10,685	1,347
Contract work in progress	7	15,340	7,103
Other receivables		19	132
Corporation tax		2,532	170
Prepayments	8	6,162	7,895
		<u>73,740</u>	<u>55,125</u>
Cash at bank and in hand		<u>4,537</u>	<u>20,656</u>
Total current assets		<u>78,277</u>	<u>75,781</u>
TOTAL ASSETS		<u>81,025</u>	<u>79,264</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity	9		
Contributed capital		675	675
Proposed dividends for the financial year		0	2,000
Retained earnings		12,363	7,010
Total equity		13,038	9,685
Provisions	10		
Provisions for deferred tax		1,044	1,353
Total provisions		1,044	1,353
Liabilities other than provisions			
Short-term liabilities other than provisions			
Prepayments received from customers		42,540	41,270
Trade payables		174	426
Payables to group entities		8,448	9,497
Corporation tax		1	0
Other payables		15,780	17,033
		66,943	68,226
Total liabilities other than provisions		66,943	68,226
TOTAL EQUITY AND LIABILITIES		81,025	79,264
Contractual obligations, contingencies, etc.	11		
Related party and related party disclosures	12		

Financial statements 1 January – 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2017	675	7,010	2,000	9,685
Ordinary dividends paid	0	0	-2,000	-2,000
Transferred over the profit appropriation	0	5,353	0	5,353
Equity at 31 December 2017	675	12,363	0	13,038

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Gartner Danmark ApS for 2017 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Gartner Inc., Stamford, USA.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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 or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods, comprising the sale of information technology and advisory related services, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Subscription contracts are accrued over the term of the contract.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the items revenue, cost of sales, other external expenses and other operating income are aggregated into one item designated gross profit.

Staff costs

Staff costs include wages and salaries, including holiday pay and pensions, incentive programmes as well as other social security contributions, etc., made to the Company's employees. The item is net of refunds made by public authorities.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

Leasehold improvements	5 years
Fixtures and fittings, tools and equipment	3-8 years

Investments

Deposits are recognised at amortised cost.

Trade receivables

Trade receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is calculated on the basis of the stage of completion at the balance sheet date and the projected income from the relevant contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When 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 contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Other receivables

Other receivables are recognised at amortised cost.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Gartner Inc.

2 Staff costs

DKK'000	2017	2016
Wages and salaries	58,711	53,649
Pensions	4,126	3,752
Other social security costs	190	136
	<u>63,027</u>	<u>57,537</u>
Average number of full-time employees	<u>40</u>	<u>36</u>

Incentive scheme

All employees can sign up for Employee Stock Purchase Program (ESPP) granting the right to purchase Gartner shares at a 5% discount compared to the market price at the date of purchase.

Employees can purchase shares for up to 10% of their monthly salary after tax. The programme is limited to a maximum amount that is adjusted quarterly.

The Company has an incentive scheme for executives to retain important talents. Gartner issues Restricted Stock Units (RSU) at no cost to these employees based on annual assessments as a form of bonus. Employees eligible for this programme have no influence on the allocation.

Financial statements 1 January – 31 December

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3 Tax on profit for the year

DKK'000	2017	2016
Current tax for the year	2,024	3,752
Deferred tax for the year	-309	134
	<u>1,715</u>	<u>3,886</u>

4 Proposed profit appropriation

Proposed dividends for the year	0	2,000
Retained earnings	<u>5,353</u>	<u>10,917</u>
	<u>5,353</u>	<u>12,917</u>

5 Property, plant and equipment

DKK'000	Leasehold improve- ments	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	1,415	2,558	3,973
Additions during the year	0	137	137
Transferred	<u>0</u>	<u>-80</u>	<u>-80</u>
Cost at 31 December 2017	<u>1,415</u>	<u>2,615</u>	<u>4,030</u>
Accumulated depreciation at 1 January 2017	-104	-1,010	-1,114
Depreciation for the year	<u>-295</u>	<u>-437</u>	<u>-732</u>
Accumulated depreciation and impairment losses at 31 December 2016	<u>-399</u>	<u>-1,447</u>	<u>-1,846</u>
Reversal of accumulated depreciation on disposals	<u>0</u>	<u>17</u>	<u>17</u>
Total reversal of accumulated depreciation	<u>0</u>	<u>17</u>	<u>17</u>
Carrying amount at 31 December 2017	<u>1,016</u>	<u>1,185</u>	<u>2,201</u>

6 Deposits

DKK'000	2017	2016
Deposits at 1 January 2017	624	399
Disposals	-77	-399
Additions	<u>0</u>	<u>624</u>
Carrying amount at 31 December 2016	<u>547</u>	<u>624</u>

Financial statements 1 January – 31 December

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7 Contract work in progress

DKK'000

	2017	2016
Selling price of work performed	31,511	18,198
Progress billings	-16,171	-11,095
	<u>15,340</u>	<u>7,103</u>
recognised as follows:		
Contract work in progress (assets)	18,889	9,134
Contract work in progress (liabilities)	-3,549	-2,031
	<u>15,340</u>	<u>7,103</u>

8 Prepayments

Prepayments comprises prepaid commission of DKK 5,869 thousand (2016: DKK 7,178 thousand) and other prepaid costs of DKK 293 thousand (2016: DKK 717 thousand).

9 Contributed capital

The share capital comprises 675 shares of a nominal amount of DKK 1,000 each.

The Company's share capital has remained unchanged at DKK 675 thousand over the past five years.

10 Provision for deferred tax

Deferred tax relates to property, plant and equipment, prepayments and other payables.

11 Contingent liabilities and other financial obligations

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 5,272 thousand (2016: DKK 6,814 thousand) regarding non-cancellable rent agreements with a remaining term of five years. Furthermore, the Company has lease obligations under operating leases for cars totalling DKK 1,517 thousand (2016: DKK 758 thousand) with a non-cancellable period of six months.

Financial statements 1 January – 31 December

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12 Related parties

Gartner Danmark ApS' related parties comprise the following:

Control

Gartner Europe Holdings B.V, Amsterdam, Holland/the Netherlands

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Consolidated financial statements

The consolidated financial statements for 2017 can be obtained by contacting the ultimate parent company, Gartner Inc., Stamford, USA.