Capgemini Sogeti Danmark A/S

Delta Park 40, 2665 Vallensbæk Strand

CVR No 25 60 69 65

Annual report for

01.01.2017

-

31.12.2017

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
May 9th 2018

Chair of the Assembly

Anders Sejersdal

Contents

Company Information

Company
Capgemini Sogeti Danmark A/S
Delta Park 40
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Board of Directors
Joannes Petrus Emmanuel van Waaijenburg
Maarten Arie Galesloot
Stefan Ingvar Ek
John Andre Bartholomeus Brahim
Jean-Baptiste Jacques Emmanuel Valery Massignon
Lucia Graziella Sinapi

Executive Board
Maarten Arie Galesloot, CEO
Anders Sejersdal, CFO

Audit
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management review

Business activities

Capgemini Sogeti Danmark A/S is part of the global Capgemini Group, which is one of the world's leading providers of consulting, technology and outsourcing services. The Capgemini Group is represented in more than 40 countries with 200,000 employees and had a revenue of EUR 12,8 billion in 2017.

Capgemini Sogeti Danmark A/S delivers IT-related solutions which support our customers' goals and business processes. The company provides quality solutions through industry knowledge, in-depth technical expertise and core skills in linking business and IT. We assist our customers in taking advantage of business opportunities by leveraging innovative technology.

Local as well as international skills are offered by Capgemini Sogeti Danmark A/S, thereby establishing integrated support for all our clients' business processes - from initial analysis, technology selection and management of risks to development, implementation, integration and test of both bespoke and standard IT solutions. The technologies include mobile, cloud-based and "advanced analytics" solutions. Many of these solutions support customers' sales and marketing activities.

Quality assurance in the implementation of customer tasks is crucial to Capgemini Sogeti Danmark A/S. Therefore, Digital Assurance and testing are a significant part of the activities.

Capgemini Sogeti Danmark A/S works increasingly within an agile development model, securing dynamic customer needs, with a high emphasis on time-to-value.

Close collaboration with the customers is the key to success in all undertakings. Through more than 50 years' commercial experience, Capgemini Group has developed the ability to cooperate constructively with its customers and has combined its experiences under the concept Collaborative Business ExperienceTM. The aim is to help the customers achieve effective, fast and lasting results through close, open and trusting cooperation.

Capgemini Sogeti Danmark A/S considers its main task to deliver as efficiently as possible and therefore we apply the Capgemini Group's global delivery model - Rightshore®. The Capgemini Group established skill centers across the globe and can always find the place where the customer's tasks and challenges can be overcome in an optimal way, with costs, time, skills and quality taken into consideration. The Rightshore® centres employed 100,000 staff in 2017.

Financial highlights

In 2017 Capgemini Sogeti Danmark A/S had a revenue of DKK 327m which is a 5% drop from 2016 and below management's expectations. The set-back was within local resources and is caused by the present labor market where it is difficult to recruit and retain highly skilled IT professionals. On a positive note, the off-shore business grew substantially in 2017.

The net profit amounted to DKK 15,2m compared to DKK 15,9m in 2016 equal to a 5% decrease, which is a direct consequence of revenue shrinkage and is not considered satisfactory by the management.

Dividends of DKK 10m was paid out in 2017, which reduced the equity with the same amount. With a net profit in 2017 of DKK 15.2m, the total equity amounted to DKK 68.1m as of 31 December 2017, which leaves the equity share at 53%. It is proposed to the annual assembly that a dividend of DKK 15.2m is paid for the fiscal year of 2017 (equal to DKK 560.07 per share).

Expectations for the future

As for 2018 Capgemini Sogeti Danmark A/S expects growth within digital solutions for the clients through a blend of comprehensive projects as well as professional services. The main driver behind this growth will be the competencies Capgemini Sogeti Danmark A/S possess within the areas such as Cloud and Digital Transformations on all devices. Furthermore, our business of Digital Assurance and Testing is expected to increase through new and innovative delivery models. Finally, Capgemini Denmark A/S will continue to provide existing and new solutions for the growing need for digital solutions within the healthcare sector.

It is management's expectation that the company in the coming years achieves growth in revenues as well as in profits in all focus areas.

Research and development

Research and development in the company's activity areas is mainly conducted at global level in the Capgemini group.

In 2013 the Capgemini Sogeti Danmark's planning solution for the health care sector – Bookplan – has been included in the global solutions portfolio of the Capgemini group (Ready2Series). This opens for support for prioritized further product enhancements

Technology and employee skills

Through membership of the global Capgemini Group, the company harvests significant synergy benefits, which raise its process and technology capabilities far beyond the Danish subsidiary's own capacity. The widespread use and continual expansion of delivery centers, including India and Poland, is a good example of the use of the research and skills development taking place globally in the Capgemini group.

As a knowledge-intensive consultancy firm, the company continues to focus not only on processes and technology, but also on the constant development of its primary asset: the consultants. The development of employees takes place as on-the-job training as well as through systematic use of internal and external skills training and certifications. This includes the use of an extensive range of virtual learning and development system for all employees. A structured offer of "blended learning", including state-of-the-art e-learning is the backbone of the continual development of the group's employee skills.

Along with the ongoing development of our Danish consultants' skills, training also takes place for our Indian employees who are associated with Danish projects. Through the experience of completed projects, our Indian colleagues are building up an extensive knowledge of Danish conditions.

Statement of social responsibility

The principles of corporate social responsibility and ethics can be viewed in their entirety at the following URL:

https://www.capgemini.com/our-corporate-responsibility-sustainability-approach

Social responsibility, together with the group's ethical code and our shared values, are the foundation of our relationship with our customers, employees and the communities and environments in which we operate. The Capgemini Group shall check on a regular basis that each subsidiary meets and complies with the group's guidelines for social responsibility, as defined under the 5 main categories, of which the 3 first are detailed below:

- Environment
- Community
- Management, Values and Ethics

Environment

To minimize environmental impact, Capgemini has incorporated environmental considerations as an integral part of our activities, both globally and domestically.

In the development process of our consultancy services we consume a number of resources such as electricity, water, heating, paper, etc.

To ensure the most environmentally friendly use of these resources, Capgemini consistently pursues a comprehensive environmental policy in all areas where this is environmentally and economically justifiable – this also applies to new investments in the company.

Capgemini Sogeti Danmark A/S moved in 2009 its headquarter to Vallensbæk Company House, which is one of the first office buildings in Denmark fulfilling the EU Green Building Standard, i.e. with a calculated energy consumption that is at least 25% below the national energy framework. In 2017 all interior light was replaced with energy-saving LED lights. The Company has beyond an environmental conscience in these environments also experienced significant decreases in operating costs for our office facilities.

Community

Social responsibility is an integrated part of Capgemini's identity, business strategy and business activities. Our goals in relation to social responsibility and ethics reflect our ambition to behave properly and stay committed to the communities to which we belong.

In 2004 Capgemini joined the UN's Global Compact, the world's largest initiative for corporate social responsibility. This is an international initiative started by the UN with the purpose of involving private companies in solving some of the major social and environmental challenges posed by globalization.

Capgemini Sogeti Danmark A/S has traditionally recruited graduates from universities, but has since 2012 added an alternative recruiting channel, where we proactively assist in the education of future IT specialists. This has resulted in employment of 4 Danish students from the vocational schools - students who through their education will be trained in consulting.

Leadership, values and ethics

Capgemini Sogeti Danmark A/S commits to Capgemini Group's principles for leadership, values and ethics (including respecting the Declaration of Human Rights and refusing use of forced or child labor). The ethical guidelines are an integral part of the employment contract for all employees. An overall description of our commitments is publicly available at:

http://www.capgemini.com/about/corporate-responsibility/leadership-value-ethics

As part of Capgemini group, Capgemini Sogeti Danmark A/S respects the declaration of human rights in accordance with the overall group policies.

Capgemini Group formulated in 2010/11 a comprehensive set of guidelines to address corruption and corruption-like problems. The ethical platform was subsequently extended by principles and guidance for fair competition. All senior managers are trained and examined in these.

Capgemini Sogeti Danmark A/S formalized in 2011 a "whistleblower" system that allows employees to disclose any suspicions of violations of the above guidelines and / or legislation outside the formal governance structures of the company. The system hasn't been activated in 2017.

Capgemini believes that diversity among employees and equality between sexes contributes positively to our work environment and strengthens our group's performance and competitiveness. It is a business imperative, as gender balance is proven to accelerate business; it brings innovation and value and creates a more balanced and inclusive environment. Moreover, it is key to attract and retain the right talents. During 2017 Capgemini Denmark A/S participated in a group campaign in the 50 years anniversary of the group. We shared 50 Inspiring stories of 50 Exceptional women from October 9 to December 20, 2017 on Capgemini social media pages and on Capgemini Youtube channel. Through these 50 videos, women from Capgemini around the world show personal and professional anecdotes which highlight the courage, determination, challenges and successes experienced by most of the women across the globe. The 50 women who participated in this campaign chose to talk about their experience through three complementary themes:

#BreakingStereotypes gives an overview of the stereotypes faced by some women in their professional or personal life and how they overcame them. #BreakingRecords gathers experiences of women who won awards or have been driving huge projects within their organization #BreakingTheGlassCeiling shows the trajectory of rising stars.

Capgemini Sogeti Danmark A/S strives to increase the number of female leaders in the company and has a local target of at least 2 female members of executive management team out of 7 persons. Currently there are 2 female members, which is within the target, but down with 1 from last year. Also the aim is to have at least 2 female board members out of 6 members before the end of 2020. Currently there is still only 1 female member of the board as the have been no changes to the board in 2017.

For increasing the share of female leaders in management layers we adhere to the initiatives launched by Capgemini group as described in:

https://www.capgemini.com/careers/life-at-capgemini/respect-for-diversity/

Key figures

	2017 IFRS TDKK	2016 IFRS TDKK	2015*) ÅRL TDKK	2014*) ÅRL TDKK	2013*) ÅRL TDKK
5 years key figures					
Profit and loss accounts					
Net revenue	327.406	345.028	327.721	309.709	338.517
Gross profit	54.229	68.539	75.260	71.187	51.042
Operating profit	10.906	20.324	20.786	13.165	-32.147
Net financials	937	195	338	580	-1.669
Profit/loss for the period	15.221	15.893	13.817	10.598	-32.371
Balance sheet					
Balance sheet total	130.735	143.789	122.946	130.801	114.869
Equity	68.146	62.925	57.032	22.317	22.317
Invested capital including goodwill	29.914	29.623	5.109	6.886	7.921
Net working capital	45.152	71.874	62.933	54.549	59.905
Investment in property, plant and equipment	3.549	3.258	5.109	6.886	7.921
Cash flows					
Operating activities	26.372	27.084			
Investment activities	-878	-23.699			
Financing activities	-25.493	-3.385			
Empolyees					
Average number of employees	284	297	280	267	302
Key Ratios					
Revenue per employees	1.153	1.162	1.170	1.160	1.121
Gross margin (%)	16,6%	19,9%	23,0%	23,0%	15,1%
Profit margin (%)	4,6%	4,6%	4,2%	3,4%	-9,6%
Return on equity (%)	23,2%	26,5%	34,8%	47,5%	-79,6%
Return on invested capital including goodwill (%)	36,6%	117,0%	346,6%	177,8%	-24,8%
Revenue/invested capital including goodwill (%)	11,0%	19,9%	54,6%	41,8%	39,6%
Operation margin	3,3%	5,9%	6,3%	4,3%	-9,5%

*) The company has implemented IFRS as per 1.1.2016. The comparative figures for 2013-2015 are stated under Danish GAAP.

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015).

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Capgemini Sogeti Danmark A/S for the financial year 1 January – 31 December 2017.

The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations and cash flows for the financial year 1 January – 31 December 2017.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, May 9th 2018

Executive Board

Maarten Arie Galesloot
CEO

Anders Sejersdal
CFO

Board of Directors

Johannes Petrus Emmanuel van Waaijenburg
Chairman

Maarten Arie Galesloot

Stefan Ingvar Ek

John-Andre Bartholemeus Brahim

Jean-Baptiste Jacques Emmanuel Valery Massignon

Lucia Graziella Sinapi

Independent Auditor's Report

To the Shareholders of Capgemini Sogeti Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Capgemini Sogeti Danmark A/S for the financial year 1 January - 31 December 2017, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as 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 about 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 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 financial statements.

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 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 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.

Copenhagen, May 9th 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Henrik Hornbæk
State Authorised Public Accountant
mne32802

Statement of comprehensive income

	Note	2017 TDKK	2016 TDKK
Net revenue	3	327.406	345.028
Production costs	4,5	(273.177)	(276.489)
Gross profit		**54.229**	**68.539**
Sale and distribution costs	4,5	(11.324)	(10.570)
Administrative costs	4,5	(31.999)	(37.645)
Operating profit		**10.906**	**20.324**
Finance income	6	1.128	355
Finance expenses	7	(191)	(160)
Profit/loss before income tax		**11.843**	**20.519**
Income tax (expenses)	8	3.378	(4.626)
Profit/loss for the period		**15.221**	**15.893**
Other comprehensive income for the period, net of tax		**0**	**0**
Total comprehensive income for the period		**15.221**	**15.893**

Balance sheet

	Notes	2017 TDKK	2016 TDKK	As at 1 January 2016 TDKK
Goodwill		26.365	26.365	0
Intangible assets	**9**	**26.365**	**26.365**	**0**
Other fixtures and fittings, tools and equipment		1.463	993	1.786
Hardware		0	0	186
Leasehold improvements		542	228	393
Tangible assets	**10**	**2.005**	**1.221**	**2.365**
Deposits		1.544	2.037	2.744
Financial assets	**11**	**1.544**	**2.037**	**2.744**
Deferred tax	**12**	**13.315**	**9.782**	**14.408**
Total non-current assets		**43.229**	**39.405**	**19.517**
Trade receivables	**13**	53.629	87.748	71.164
Receivables from related parties		8.530	1.693	11.739
Receivable from cash pool related parties	**21**	18.976	12.811	17.692
Other receivables		2.038	888	1.765
Income tax receivable	**8**	616	134	0
Prepayments		3.713	1.107	1.066
Receivables		**87.502**	**104.381**	**103.426**
Cash	**21**	**4**	**3**	**3**
Total current assets		**87.506**	**104.384**	**103.429**
Total assets		**130.735**	**143.789**	**122.946**

Balance sheet

	Notes	2017 TDKK	2016 TDKK	As at 1 January 2016 TDKK
Share capital		27.139	27.139	27.139
Retained earnings		25.807	25.786	19.893
Proposed dividens		15.200	10.000	10.000
Total equity	**15**	**68.146**	**62.925**	**57.032**
Provisions		0	0	681
Total non-current liabilities		**0**	**0**	**681**
Work in progress	**16**	7.272	1.419	70
Trade payables		8.477	15.874	8.231
Payables to related parties		6.503	8.994	9.421
Other payables	**17**	39.113	43.641	40.598
Prepayments		1.224	10.936	6.913
Total current liabilities		**62.589**	**80.864**	**65.233**
Total liabilities		**62.589**	**80.864**	**65.914**
Total equity and liabilities		**130.735**	**143.789**	**122.946**

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividends	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 01.01.2016	27.139	19.893	10.000	57.032
Profit for the period	0	5.893	10.000	15.893
Other comprehensive income for the period	0	0		0
Total comprehensive income for the period	0	5.893	10.000	15.893
Transactions with owners in their capacity as owners				
Dividend paid	0	0	(10.000)	(10.000)
Equity at 31.12.2016	**27.139**	**25.786**	**10.000**	**62.925**
Profit for the period	0	21	15.200	15.221
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	0	21	15.200	15.221
Transactions with owners in their capacity as owners				
Dividend paid	0	0	(10.000)	(10.000)
Equity at 31.12.2017	**27.139**	**25.807**	**15.200**	**68.146**

Cash flow statement

	Notes	2017 TDKK	2016 TDKK
Profit/loss for the period		15.221	15.893
Non-cash items	**20**	(3.728)	4.967
Change in working capital	**20**	14.577	6.163
Cash flows from operating activities before financial income and expenses		26.070	27.023
Financial income		1.128	355
Financial expenses		(191)	(160)
Cash flows from ordinary activities		**27.007**	**27.218**
Income taxes paid		(635)	(134)
Net cash flow from operating activities		**26.372**	**27.084**
Purchase of activity		0	(25.015)
Purchase of property, plant and equipment		(1.371)	609
Change on deposits		493	707
Net cash flow from investing activities		**(878)**	**(23.699)**
Payment of receivables from related parties		(6.837)	10.046
Repayment of payables to parent		(1.711)	1.711
Repayment of payables to related parties		(780)	(2.138)
Cash pool	**21**	(6.165)	(3.004)
Dividends distributed to parent companys shareholders		(10.000)	(10.000)
Cash flow from financing activities		**(25.493)**	**(3.385)**
Net cash flow for the year		1	0
Cash and cash equivalents, beginning of the year		3	3
Cash and cash equivalents, end of the year	**21**	**4**	**3**

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Notes

1. Accounting policies

The Annual Report for the period 1 January - 31 December 2017 comprise the financial statements of Capgemini Sogeti Danmark A/S.

For all periods up to and including the year ended 31 December 2016, the Company prepared its financial statements in accordance with Danish Financial Statements Act. These financial statements for the year ended 31 December 2017 are the first the Company has prepared in accordance with IFRS.

The Annual Report are prepared according to IFRS as issued by the IASB and endorsed by the EU and further Danish disclosure requirements for large class C entities.

Capgemini Sogeti Danmark A/S does not disclose the fees paid to auditors as the fees paid to auditors can be found in the Annual Report of the ultimate parent Capgemini SE, refer to the Danish Financial Statement Act section 96 (3).

First time adoption

The Annual Report is the first Annual Report that is presented in accordance with IFRS. The figures for 2016 and 2017 in the income statement and the balance sheet items as at 1 January 2016 were prepared according to IFRS.

The disclosures required by IFRS 1, First-time Adoption of International Financial Reporting Standards, concerning the transition from Danish GAAP to IFRS are provided in note 25.

The Annual Report for 2017 was discussed and approved by the Executive Management and the Board of Directors on Mayl 9th 2018 and will be presented for approval at the subsequent Annual General Meeting on May 9th 2018.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemptions:

> * As Capgemini Sogeti Danmark A/S is a first time adopter after its ultimate parent company, management has decided to use the exemption to measure all assets and liabilities at the carrying amounts that have been included in the parent’s consolidated financial statements, based on the parent’s date of transition to IFRS.

Adoption of new and amended standards
The Company has adopted all standards and interpretations effective from 1. january 2017.

The IASB has issued a number of new or amended standards and interpretations effective for financial years beginning 1 January 2018 or later. The following new standards, amendments and interpretations of relevance to Capgemini Sogeti Danmark A/S have been adopted by the IASB and adopted by the EU. The standards are not yet effective and will therefore not be implemented in the Annual Reports until they take effect:

IFRS 9 "Financial Instruments"
- IFRS 9 reducing the number of asset classes for financial assets to two: amortized cost and fair value. The standard incorporates new requirements for accounting for financial liabilities. The standard will be effective for financial years beginning on or after 1 January 2018. The Company is currently assessing the impact of IFRS 9.

IFRS 15 "Revenue from contracts with customers"
- IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

Capgemini Sogeti Danmark A/S are currently performing initial analyses of the impending changes resulting from IFRS 15. Capgemini Sogeti Danmark A/S does not expect that IFRS 15 will have a material effect on the financial statements.

IFRS 16 "Leases"

- IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted.

Capgemini Sogeti Danmark A/S are currently performing initial analyses of the impending changes resulting from IFRS 16.

There are no other IFRSs or IFRIC interpretations that are not yet effective that is expected to have a material impact on the Company.

Foreign currency translation

Functional and presentation currency

The functional currency of Capgemini Sogeti Danmark A/S is DKK.

The financial statements are presented in Danish kroner (DKK). The financial statements have been rounded to the nearest thousand.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Business combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:
- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Revenue

Revenue primarely comprise revenue from consulting services. Revenue is recognised when the work is performed and when it is likely that the economic advantages including payments will accrue to the company. Work in progress is recognised as revenue at the rate of completion, which means that revenue equals the selling price of the work completed for the year stage of completion method.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties.

Production costs
Cost of services rendered consists of direct and indirect costs including depreciation, amortisation, staff expenses and similar expenses. Furthermore, production costs comprise provisions to cover losses on fixed price contracts.

Administration costs
Administration expenses comprise expenses regarding administrative personnel, salaries to management, depreciation, write downs on bad debts and office expenses, etc.

Sales and distribution costs

Financial income and expenses
Financial income and expenses comprise interest income and expenses, realised and non-realised capital gains/losses on transactions in foreign currency.

Income tax and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries or acquisitions of activities that is considered to be a business and represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's, or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life (Goodwill) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

Tangible assets

Other fixtures, fittings and furniture, hardware and leasehold improvements are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost comprise the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures, fittings and furniture: 3-5 years

Leasehold improvements: 3-5 years

Hardware: 3-4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses arising from disposal of tangible assets are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Gains and losses are recognized in the profit and loss account as other operating income or other operating costs.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

Financial assets

Deposits

Deposits include deposits paid related to leases and are measures at amortised cost.

Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Work in progress

Work in progress is measured at expected sales price of work performed based on the stage of completion. The stage of completion is based on the share of hours and expenses spent according to the expected total hours and expenses as set forth in the contract.

On account payments are set off against work in progress. On account payments which exceeds the completed share of contracts are calculated individually for each contract and is classified as billed in advance to customers under current liabilities.

Expenses related to sales activities and the achievement of contracts are recognized in the income statement when they are spent.

Receivables

Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, which usually corresponds to the nominal value. Write-down is made to net realisable value to provide for expected losses.

Prepayments

Prepayments comprise various prepaid expenses such as rent and insurance. Prepayments are measured at cost.

Equity

The reserve for hedge accounting consists of the effective portion of gains and losses on hedging instruments designated as cash flow hedges.

Dividend distribution

Dividends are recognised as a liability in the period in which they are adopted at the Annual General Meeting.

Other payable

Other payables or liabilities comprise VAT, withholding taxes, salaries costs including accruals for holiday payments. Other payable are recognized at amortized cost, which is usually equivalent to the nominal value.

Prepayments from customers
Prepayments from customers comprise amounts recieved from customers related to work in progress. Prepayments are measured at cost.

Provisions
Provisions are recognized when the company as a consequence of events before or on the balance sheet date has a judical or actual liability and it is likely that economic advantages must be released to fulfill the liability. Provisions is made for fixed price agreements on the basis of an individual evaluation of each agreement.

Statement of cash flow
The cash flow statement shows the Company's cash flows during the year distributed on operating, investing and financing activities, changes in cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are calculated using the indirect method and as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from operating activities are calculated using the indirect method and as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise "Cash at bank and in hand".

Key Figures
The key figures and financial ratios have been prepared for the Company. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015).

* Gross margin is calculated as the gross profit divided by revenue.

* Profit margin is calculated before special items as protit before financials divided by revenue.

* Return on equity is calculated as net profit or loss for the year divided by the average equity.
* Return on invested capital including goodwill is calculated as operating profit before special items, divided by average invested capital including goodwill.
* Revenue/invested capital including goodwill is calculated as revenue divided by average invested capital including goodwill.
* Operation margin is calculated as the operation profit divided by revenue.

Invested capital including goodwill is defined as net working capital plus property, plant and equipment and intangible assets as well as accumulated amortisation of goodwill, and minus other provisions and other long-term operating liabilities. Accumulated impairment losses on goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Receivables and income tax payables as well as cash are not included in net working capital.

2. Critical accounting estimates and judgements

Capgemini Sogeti Danmark A/S makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

Capgemini Sogeti Danmark A/S is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

Impairment test of Goodwill
Capgemini Sogeti Danmark A/S bi-annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimated projections of future performance, refer to note 9.

Deferred tax assets
Capgemini Sogeti Danmark A/S recognizes deferred tax assets relating to losses carried forward when management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilization in local tax legislation. Future taxable income is assessed based on budgets as well as management's expectations regarding growth and operating margin in the coming years.

In 2017, as a result of current earnings and future earnings estimates, the Company recorded deferred tax assets for the estimated amount of net operating losses that will be utilized to offset future taxable income. In future periods, management will continue to assess the probability of realization of the assets' value and adjust the valuation in accordance with IAS 12, refer to note 12.

Work in progress

At the end of each accounting period, Management uses judgement when recognising fixed-price contracts in progress. Capgemini Sogeti Danmark A/S uses the percentage of completion method to account for contracts in progress based on the hours used on the current project. Management's estimate of the total hours expected to be used on the projects are based on the concrete assessment of the Delivery Manager as well as historical empirical data from uniform projects. All major fixed-price projects are subject to quarterly reviews with the Management. The current estimate of revenue on contracts in progress are disclosed in note 16.

	2017 TDKK	2016 TDKK
3. Net revenue		
Sale of goods	10.572	0
Royalties / license	6.529	4.251
Sale of services	310.304	340.777
	327.405	**345.028**
4. Staff expenses		
Wages and salaries	186.065	189.454
Pensions, defined contribution plans	9.208	8.924
Other staff costs	3.320	3.926
	198.593	**202.304**
Average number of full time employees	284	297

Key Management Compensation

Key Management includes Board of Directors and Executive Management in total 2 persons by end 2017. The compensation paid or payables to key management for employee services is shown below:

Wages and salaries	4.252	2.082
Pensions, defined contribution plans	113	148
Other long-term benefits	1.776	0
Termination benefits	1.799	0
	7.940	**2.230**

Compensation to the Board of Directors and Executive Management

Compensation to the Board of Directors	0	0
Compensation to the Executive Management	7.940	2.230
	7.940	**2.230**

Management of the company has been vested 3.000 performance shares in the parent company Capgemini SE at 1. of March 2017. The performance has a 4 year vesting period. At year-end 4.600 shares were outstanding. In the accounting year 3.000 performance shares has been exercised. The fair value of the performance shares correspond to the share price of TDKK 841 at granting date.

The total fair value at grant date amounts to TDKK 2.560 for outstanding shares. The performance shares granted in 2014, 2015, 2016 and 2017 also has a 4 year vesting period. Fair value of the shares granted in 2017 amounts to TDKK 589 based on the share price at grant date.

Performance shares

Outstanding at 1. january	6.750	5.750
Granted in the year	850	1.000
Exercised in the year	3.000	0
Outstanding af 31. of december	4.600	6.750

	2017 TDKK	2016 TDKK
5. Amortisation, depreciation and impairment losses		
Depreciation of tangible assets	587	877
Impairment loss	0	0
	587	**877**

Depreciation of tangible assets of 587 TDKK is recognized in production costs.

	2017 TDKK	2016 TDKK
6. Financial income		
Exchange rate adjustments	1.124	355
Interest income, group company	4	0
	1.128	**355**
7. Financial expenses		
Interest expenses, bank borrowings	(43)	(28)
Interest expenses, group company	(53)	0
Exchange rate adjustments	(95)	0
Other financial expenses, including bank fees	0	(132)
	(191)	**(160)**
8. Tax on profit for the year		
Current tax:		
Current tax on profits for the year	0	0
Adjustment regarding prior year's income tax	(155)	0
Total current tax income	(155)	0
Deferred tax:		
Increase/(decrease) in deferred tax assets	(2.966)	(4.626)
Previously unrecognised tax losses now recouped	6.499	0
Total deferred tax	**3.533**	**(4.626)**
Income tax for the period	**3.378**	**(4.626)**
Income tax is specified as follows:		
Calculated 22.0% tax on profit for the year before income tax	(2.605)	(4.514)
Tax effects of:		
Non-deductable expenses	(51)	(82)
Adjustments in respect of prior years	(155)	0
Previously unrecognised tax losses now recouped	6.499	0
Other	(310)	(30)
	3.378	**(4.626)**
Effective tax rate	-28,5%	22,5%

9. Intangible assets

	Goodwill TDKK	Total TDKK
Cost:		
At 01.01.2016	0	0
Additions during the year	26.365	26.365
At 31.12.2016	26.365	26.365
Amortisation and impairment:		
At 01.01.2016	0	0
Impairment	0	0
At 31.12.2016	0	0
Carrying amount 31.12.2016	**26.365**	**26.365**
Cost:		
At 01.01.2017	26.365	26.365
Disposal during the year	0	0
At 31.12.2017	26.365	26.365
Amortisation and impairment:		
At 01.01.2017	0	0
Disposal	0	0
Impairment	0	0
At 31.12.2017	0	0
Carrying amount 31.12.2017	**26.365**	**26.365**

Impairment test for goodwill

Goodwill is monitored by management at company level. The recognised goodwill in 2017 exclusively relates the acquisition in 2016 of the Danish branch IGATE Computer Systems (UK) Limited.

The acquired activity are fully integrated in the company's activity and, further management do not monitor the acquired activity separately. Thus the entire activity of the company is considered the CGU for impairment purposes.

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each company operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	2017	**2016**
Operating margin	7,0%	8,9%
Working Capital in % of Revenue	2,0%	6,7%
Long term growth rate	3,0%	2,4%
Pre-tax discount rate	6,7%	8,4%

The impairment test is based on assumtions regarding business with large accounts in the financial sector. Also it is based the delivery of advanced solutions within digital product engineering and services to high tech manufacturers in Denmark.

10. Property, plant and equipment

	Hardware	Other fixtures and fittings, tools and equip- ment	Lease- hold improve ments	Total
	TDKK	TDKK	TDKK	TDKK
Cost:				
At 01.01.2016	8.718	4.152	2.226	15.096
Additions during the year	0	0	0	0
Disposals during the year	(162)	(140)	0	(302)
At 31.12.2016	8.556	4.012	2.226	14.794
Amortisation and impairment:				
At 01.01.2016	8.529	2.366	1.833	12.728
Depreciation charge	189	793	165	1.147
Disposal	(162)	(140)	0	(302)
At 31.12.2016	8.556	3.019	1.998	13.573
Carrying amount 31.12.2016	**0**	**993**	**228**	**1.221**

	TDKK	TDKK	TDKK	TDKK
Cost:				
At 01.01.2017	8.556	4.012	2.226	14.794
Additions during the year	0	897	508	1.405
Disposals during the year	(8.017)	(430)	(1.696)	(10.143)
At 31.12.2017	539	4.479	1.038	6.056
Amortisation and impairment:				
At 01.01.2017	8.556	3.019	1.998	13.573
Depreciation charge	0	427	160	587
Disposal	(8.017)	(430)	(1.662)	(10.109)
At 31.12.2017	539	3.016	496	4.051
Carrying amount 31.12.2017	**0**	**1.463**	**542**	**2.005**

11. Financial assets	**Deposit TDKK**	**Total TDKK**
Cost:		
At 01.01.2016	2.744	2.744
Additions during the year	48	48
Disposals during the year	(755)	(755)
At 31.12.2016	**2.037**	**2.037**
At 01.01.2017	2.037	2.037
Additions during the year	1	1
Disposals during the year	(494)	(494)
At 31.12.2017	**1.544**	**1.544**

	2017 TDKK	2016 TDKK
12. Deferred tax		
At 01.01.2017	9.782	14.408
Deferred tax reccognised in the income statement	3.533	(4.626)
At 31.12.2017	**13.315**	**9.782**
Deferred tax relates to:		
Intangible assets	9.240	10.509
Property, plant and equipment	1.753	1.624
Tax loss carry-forwards	11.538	13.364
Write down	(9.216)	(15.715)
	13.315	**9.782**

At December 31, 2017, potentially income tax assets totaled TDKK 11,538 (2016: TDKK 16,919) in respect of tax losses carryforward amounting to TDKK 52,444. The losses can be carried forward against future taxable income. In 2017, Capgemini Sogeti Danmark A/S recorded deferred tax assets totaling TDKK 13,315 (2016: TDKK 9,782), which represents the net tax benefit that the Company considers probable to be realized through the year 2018-2020, based on Company budget for 2018, and estimates for 2019 and 2020.

In accordance with IAS 12, Capgemini Sogeti Danmark A/S recognizes deferred tax assets arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by Capgemini Sogeti Danmark A/S. The estimated tax benefit is calculated considering recent historical levels of income, expectations and risks associated with estimates of future taxable income.

Capgemini Sogeti Danmark A/S has unrecognised tax asset from tax losses amounting to TDKK 9,216 (2016: TDKK 15,715), which management has not recognised due to uncertainty. The unrecognised tax losses can be carried forward undefinetely.

The calculation utilizes the statutory tax rates that are expected to apply to taxable income for the years in which the asset is expected to be realized.

	2017 TDKK	2016 TDKK
13. Trade receivables		
Trade receivables and other receivables at 31.12.2017	54.505	88.890
Less provision for impairment of trade receivables	(876)	(1.142)
Trade receivables net	**53.629**	**87.748**
Movement on the Company provision for impairment of trade receivables are as follows:		
Opening balances	(1.142)	0
Allowances during the year	0	(1.142)
Write-offs during the year	266	0
At 31.12.2017	**(876)**	**(1.142)**
Allocation of overdue net receivables (not written off) by maturity period are as follows:		
Up to 30 days	14.419	23.646
Between 31 and 90 days	4.933	5.141
Between 91 and 365 days	2.377	2.494
Overdue net receivables at 31.12.2017	**21.729**	**31.281**

	2017 TDKK	2016 TDKK
14. Financial assets and liabilities		
Carrying amount		
Financial assets:		
Loans and receivables:		
Trade receivables	53.629	87.748
Other receivables	2.038	888
Cash and cash equivalents	18.980	12.814
Total Loans and receivables	**74.647**	**101.450**
Total	**74.647**	**101.450**
Financial liabilities:		
Financial liabilities at amortised cost		
Trade payables	8.477	15.874
Other payables	39.113	43.641
Total Financial liabilities at amortised cost	**47.590**	**59.515**
Total	**47.590**	**59.515**

Fair values are approximately the same as the carrying amounts.

15. Share capital

The share capital is broken down as follows:

	Number of shares	Nominal value, TDKK
Shares	27.139	27.139
Share capital at 31.12.2017	**27.139**	**27.139**

No share hold any special rights.

	TDKK
Changes in share capital:	
Share capital at 01.01.2017	27.139
Shares issued	0
Share capital at 31.12.2017	**27.139**

Capital management

Capgemini Sogeti Danmark A/S' objectives for capital management are to safeguard the ability to continue as a going concern in order to provide returns for the parent company and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Management and the parent company monitor the share and capital structure to ensure that the company's capital resources support the Group's strategic goals. Through a close dialogue with its parent company, Capgemini Sogeti Danmark A/S has been able to decide on funding of strategic initiatives within a very short time frame.

	2017 TDKK	2016 TDKK
16. Work in progress		
Work in progress at expected sales price	1.597	10.486
Billed on account to customers	(8.869)	(11.905)
	(7.272)	**(1.419)**
that can be specified as follows:		
Work in progress under assets	0	0
Prepayments received under liabilities	(7.272)	(1.419)
	(7.272)	**(1.419)**
17. Other payables		
Accrued VAT, A-tax, ATP etc.	6.940	5.235
Accrued vacation pay, wages, bonuses etc.	30.712	31.813
Other accrued expenses	1.461	6.593
	39.113	**43.641**

18. Related parties

The Company is controlled by Sogeti S.A.S, which owns 100 % of the shares. The Company's ultimate parent is Capgemini SE, France.

The disclosure of “Key management compensation” is presented in note 4.

The following transactions were carried through with related parties:

Sales of goods and services		
Sale of royalties / license to other related parties	8.048	6.275
Sals of services to other related parties	18.971	22.943
	27.019	**29.218**
Purchase of goods and services		
Purchase of management services from parent	10.075	5.602
Purchase of management services from other related parties	1.414	2.835
Purchases of goods from other related parties	1.152	119
Purchases of services from other related parties	37.709	29.770
	50.350	**38.326**
Transactions with Parent:		
Receivables from parent	0	0
	0	**0**
Payables to parent	0	1.711
	0	**1.711**
Transactions with other related parties:		
Receivables from other related parties	8.530	1.693
	8.530	**1.693**
Payables to other related parties	6.503	7.283
	6.503	**7.283**

19. Commitments and contingent liabilities
Operating leases

The Company has entered into a lease on office premises.The lease is non-cancellable for 60 months.

Operating lease commitments:	**2017 TDKK**	**2016 TDKK**
Due within 1 year	4.303	4.618
Due between 1 and 5 years	11.684	14.245
Due after 5 years	0	2.174
	15.987	**21.037**
Expensed payments during the year relating to operating leases	6.854	9.386

Lease commitments relate primarily to office and car rental.

Capgemini Sogeti Danmark A/S is party to a few pending lawsuits. In Management's opinion, apart from the liabilities recognized in the balance sheet at December 31 2017, the outcome of these lawsuits will not affet the Company's financial position.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties. Capgemini Sogeti Danmark A/S is the administrating company in the joint taxation.

	2017 TDKK	2016 TDKK
20. Cash flow statement		
Adjustments		
Financial income	(1.128)	(355)
Financial expenses	191	160
Depreciation, amortisation and impairment losses, including losses and gains on sales	587	536
Tax on profit/loss for the year	(3.378)	4.626
	(3.728)	**4.967**
Change in working capital		
Change in receivables	30.362	(3.402)
Change in trade payables, etc.	(15.785)	10.246
Other provision	0	(681)
	14.577	**6.163**

21. Cash at banks

Capgemini Sogeti Danmark A/S' bank account in Handelsbanken is a part of a Nordic Cash pool which is managed by Capgemini Sverige AB. The bank account in Handelsbanken has been reported as receivable from cash pool related parties and therfore not a part of cash in hand and at banks.

22. Financial risk management

Financial risk factors

The Financial risks of the Company are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. Company finance identifies and evaluates in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign exchange risk

The Company operates primarely nationally and sales revenue is only to a small degree exposed to foreign exchange risk, primarily with respect to the EUR. Some operating costs are incurred in PLN and INR but not hedged. Increases or decreases in the exchange rate of such foreign currencies against the functional currency, the DKK, can affect the Company's results and cash position negatively or positively. The exchange risk is considered limited.

Interest rate risk

Capgemini Sogeti Danmark A/S has only very limited trade payable and no long term debts. The interest rate risk therefore arises from the group cash pool and is considered limited.

Credit risks

Credit risk is managed by the finance department. For banks and financial institutions, only independently rated parties which are accepted by the group are used.

As for customers, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Capgemini Sogeti Danmark's clients consists almost exclusively of either public accounts (government and local authorities) or well-exposed Danish large-CAP or mid- CAP companies. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Management. The compliance with credit limits by customers is regularly monitored by line management.

Liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its cash pool agreement with the Capgemini group at all times.

The Company has undrawn borrowing facilities of TDKK 25,000, that may be available for future operating activities and to settle capital commitments.

22. Financial risks (continued)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivatives	**Less than 1 year TDKK**	**1-3 years TDKK**	**>3 years TDKK**	**Total TDKK**
At 31.12.2016				
Trade payables	15.874	0	0	15.874
Other payables	821	0	0	821
	16.695	**0**	**0**	**16.695**
At 31.12.2017				
Trade payables	8.477	0	0	8.477
Other payables	821	0	0	821
	9.298	**0**	**0**	**9.298**

23. Business Combinations

In 2016 the Company has acquired Danish IGATE activity by acquiring the assets and liabilities in IGATE Computer Systems (UK) Limited.

The Danish branch of IGATE Computer Systems (UK) Limited was acquired as part of the Capgemini Groups takeover of the entire IGATE group. Capgemini Group substantially strengthened its position in North America through this acquisition as well as expanded its offshore capabilities. Moreover, it accelerated Capgemini Group's industrialization and innovation initiatives. From a Danish perspective the IGATE acquisition expanded the business with large accounts in the financial sector. Also it has strengthened Capgmini's ability to deliver advanced solutions within product engineering and services to high tech manufacturers in Denmark.

As a result of the acquisitions, Capgemini Sogeti Danmark A/S has increased its presence in these markets. It also expects to reduce costs through economies of scale. The goodwill of TDKK 26,365 arising from the acquisition is attributable to the economies of scale expected from combining the operations of the Capgemini Sogeti Danmark A/S and the IGATE activity.

The acquisition of the business of IGATE was completed with an acquisition date of 31 August 2016. The total consideration paid amounts to a cash consideration of TDKK 32,900. No equity instruments has been issued and there is no contingent consideration in the business combination. It was a global acquisition led by the french parent company and no direct transaction costs was imposed on Capgemini Sogeti Danmark

Fair value of the assets and liabilities acquired is summarized in the following table, which discloses recognised amounts of identifiable assets acquired and liabilities assumed:

IGATE activity	**2016** **TDKK**
Trade receivables	3.995
Other receivables	466
Cash and cash equivalents	7.885
Trade payables	(3.306)
Other payables	(2.400)
Prepayments from customers	(105)
Net assets	**6.535**
Consideration paid	32.900
Consideration paid	(32.900)
Cash and cash equivalents	7.885
Net payment	**(25.015)**

The acquired business IGATE contributed revenue of approx. MDKK 7 and net profit of approx. MDKK (2) to the company for the period 1 September - 31 December 2016.

If the acquisition had occured on 1. January 2016, proforma revenue and profit for the year ended 31 December 2016 would have been approx. MDKK 21 and approx. MDKK 7 respectively.

24. Events after the balance sheet date

Subsequent to the balance sheet date, no other events that could significantly affect the financial statements as of 31 December 2017 have occurred.

25. First time adoption of IFRS

The Company has adopted IFRS for its financial accounts with effect from 1 January 2016. The comparative figures for 2016 have been restated.

Company reconciliation of equity as at 1 January 2016 (date of transition to IFRS)	**TDKK**
Equity as 1 January 2016 according to ÅRL	57.032
IFRS	**57.032**

Company reconciliation of equity as at 31 December 2016	**TDKK**
Equity as 31 December 2016 according to ÅRL	61.554
Amortisation of goodwill reversed	1.757
Deferred tax of goodwill reversed	(386)
IFRS	**62.925**

Company reconciliation of total comprehensive income for the year ended 31 December 2016	**TDKK**
Profit for the year according to ÅRL	14.522
Amortisation of goodwill reversed	1.757
Deferred tax of goodwill reversed	(386)
Comprehenvive income 2016	**15.893**