Capgemini Danmark A/S

Delta Park 40, 2665 Vallensbæk Strand

CVR No 25 60 69 65

Annual report for

01.01.2019

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31.12.2019

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
July 6, 2020

Chair of the Assembly

Anders Sejersdal

Contents

Company Information

Company
Capgemini Danmark A/S
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Board of Directors
Stefan Ingvar Ek
Anil Agarwal
Cécile Geneviéve Francoise Bordet

Executive Board
Claus Rydkjær, CEO
Anders Sejersdal, CFO

Audit
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management review

Business activities

Capgemini 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 14,1 billion in 2019.

Capgemini 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.

The ability to provide local as well as international skills is pivotal in Capgemini Danmark A/S business model. This enables us to establish 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.

Through more than 50 years' commercial experience, Capgemini Group has developed the ability to cooperate constructively with it's customers and has combined it's 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. Moreover, Capgemini Danmark A/S works increasingly within an agile development model, securing dynamic customer needs, with a high emphasis on time-to-value.

Testing and quality assurance in the implementation of customer projects is out most important to Capgemini Denmark A/S. Going forward we will focus on the current transformation in the quality assurance and testing area. Our main focus is test automation, technical test and leading in innovations and competences in Digital Assurance and Test. Test Automation will play a major role in increaseing productivity and is a must for DevOps and professional Agile development. An important business area is the Life Science, which has regulatory requirements on Quality Assurance and testing.

SAP with the stop for support on legacy SAP, will force a wave of upgrades and needed test towards 2021. This we plan to take advantage of by using our international service inside the Capgemini group.

On the technology side activities for how to add the future hot topics AI and smart tooling incl. our own Cognitive QA, should lead the way for better tooling and fast decision making in IT. Capgemini 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.

In 2019 Capgemini Danmark A/S established a new Management Consulting unit that will enable us to service clients at the strategic level and act as an enabler for the rest of our business in shaping and scoping future projects. By combining strategy, technology, data science and creative design expertise with an inventive mindset, Management Consulting works with our clients to solve their most complex business and technology challenges. This allows us to design and create advanced real-world digital solutions and business models of the future, resulting in new value creation and driving growth for our clients.

2019 highlights

For Capgemini Danmark A/S, 2019 was characterized by significant investments in building the foundation for future growth. A new Management Consulting unit was established, and the Insights & Data unit was significantly strengthened with additional capabilities. In addition, a number of key profiles were replaced while the overall composition of the workforce was adjusted. In conjunction with a relocation of the Business Service business, this led to an expected drop in top and bottom line, however, the core business showed healthy and growing.

Claus Rydkjær joined as new Managing Director in August 2019 with a clear mandate to bring Capgemini Danmark A/S back on a growth trajectory. This resulted in a new strategic direction for Capgemini in Denmark A/S, and the launch of a fit-for-future program. The fit-for-future program drove considerable investments in Management Consulting, Insights & Data and workforce composition with many new people joining Capgemini Danmark A/S in key roles. All investments that impacted the bottom line, which is naturally reflected in the financial statements.

Alongside the considerable local investments made, the Capgemini Group decided in 2019 to consolidate the Danish Business Services unit outside the country with the subsidiaries that actually serve Danish clients. From a technical perspective, it has had a negative impact on the 2019 results with a double-digit million figure on the top and the bottom line.

However, Capgemini Denmark's core business remained healthy, profitable, and in growth. Deducting the considerable investments in fit-for-future program and relocation of the Business Services unit out of Denmark financials, Capgemini Denmark actually delivered double-digit million profit in 2019. In that light, the management finds the result satisfactory.

In 2019 Capgemini Danmark A/S had a turnover of DKK 295 million, an expected decline of 8 percent from 2018. With the considerable investments driven from the fit-for-future program, and the relocation of the Business Service unit, the result for the year lands at DKK -18,8 million.

Following the relocation of the Business Service business, the Capgemini Group decided to reverse the financial impact and contribute DKK 15 million to the equity of the Danish company. The Equity Share thus remains unchanged at 39,1%.

Working Capital improved substantially and reduced from DKK 43,5 million to DKK 34 million, mostly due to improved cash collection.

In the first quarter of 2020, Capgemini Denmark saw both sales and utilization of consultants improve. The fit-for-future program, launched in late summer 2019, showed solid momentum until March where the global Covid-19 arose. As a result of the global Covid-19 situation, Capgemini Denmark cannot come up with concrete expectations for 2020.

The global Covid-19 situation has created a high level of uncertainty in the market generally, and for Capgemini Denmark specifically. Nonetheless, the management is fully focused on executing the fit-for-future program and fulfilling the ambition to make Capgemini Denmark one of the top IT consulting companies in Denmark. With solid local roots in the Øresund region and Århus, where Capgemini counts more than 1,100 people, and with strong ties to the Capgemini Group's more than 270,000 consultants globally, the Danish business has a solid foundation for future growth.

Technology and employee competencies

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.

Social responsibility

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

htt s://www.ca emini.com/our-com an /our-cor orate-social-res onsibilit - ro ram/

Social responsibility, together with the group's ethical code and our shared values, is 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

Environmental responsibility

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 Danmark A/S moved in 2009 It's 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.

In 2019 Capgemini Danmark A/S initiated ISO 14001 certification (Environmental Management System). During the year, a collaboration was initiated with other Scandinavian Group entities to drive a joint environmental work across all legal entities.

Community and society

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 Danmark A/S has traditionally recruited graduates from universities, and 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.

Corporate ethics

Capgemini 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:

htt s://www.ca .emini.com/our-com an /values-ethics/our-code-of-business-ethics/

As part of Capgemini group, Capgemini 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 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 has not been activated in 2019.

Employee diversity

The Capgemini Group rely on a diverse, experienced workforce to better understand and respond to client needs. Our clients come from all over the globe and so do our employees. They have a wide range of backgrounds and are enabled to take on new challenges and deliver world-class results.

Our holistic definition of diversity extends beyond gender, gender identity, sexual orientation, disability, ethnicity, race, age, and religion. Our aim is to promote ideas that challenge the status quo, drive innovation, and encourage agile and flexible thinking to stay ready for the future.

Capgemini believes that equality between sexes contributes positively to our work environment and strengthens our group's performance. It is a business imperative, as it brings innovation and value and creates a more balanced and inclusive environment. Moreover, it is key to attract and retain the right talents.

Capgemini Danmark A/S strives to increase the number of female leaders in the company and has a local target of at least 33% female members of executive management team. Currently there is 1 female member out of 4, which is down with 1 from last year so current representation stands at 25%. Also the aim is to have at least 33% female board members and with one out of three this target has now been reached

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/

Post fiscal year event: COVID-19

In this unprecedented context of the global coronavirus pandemic, Capgemini's priority is the health and safety of its employees and ensuring the continuity of services to its clients.

The Group is therefore implementing prevention and protection measures and is constantly monitoring compliance with the decisions and recommendations of local public authorities. In addition, the Group is implementing business continuity plans that are being constantly adapted to the changing situation. To this end, Capgemini has set-up a dedicated management unit reporting directly to the Group Executive Committee. This unit, which includes representatives of all key Group functions, has implemented a series of Group instructions, protocols and processes, that are exceptional and temporary, to manage the crisis on two fronts: EMPLOYEE SAFETY and BUSINESS CONTINUITY with the massive roll-out of systematic home working in all countries impacted by the pandemic and the introduction of operational rotation for the engagements that must be conducted on-site.

At this stage, the Group considers it is in a position, notably thanks to its digital capabilities, to ensure the continuity of the essential services currently demanded by its clients. Nonetheless, future developments in the coronavirus pandemic and uncertainties as to its duration, could very significantly increase the level of risk associated with the environment in which the Group operates.

Post fiscal year event: Acquisition of Advectas A/S

In April Capgemini acquired the Advectas group including Advectas A/S (CVR 36056827). It is the plan to absorb this entity into Capgemini Danmark A/S in the fiscal year of 2020. Due to the limited size of Advectas A/S it is not expected to have a material impact on the 2020 numbers

Key figures

	2019 IFRS TDKK	2018 IFRS TDKK	2017 IFRS TDKK	2016 IFRS TDKK	2015*) ÅRL TDKK
5 years key figures					
Profit and loss accounts					
Net revenue	294.691	318.265	327.406	345.028	327.721
Gross profit	40.608	47.956	54.229	68.539	75.260
Operating profit	-20.233	-4.357	10.906	20.324	20.786
Net financials	1.445	611	937	195	338
Profit/loss for the period	-18.788	-2.586	15.221	15.893	13.817
Balance sheet					
Balance sheet total	119.171	128.837	130.735	143.789	122.946
Equity	46.572	50.360	68.146	62.925	57.032
Invested capital including goodwill	30.174	29.645	29.914	29.623	5.109
Net working capital	31.799	38.380	45.152	71.874	62.933
Investment in property, plant and equipment	3.809	3.280	3.549	3.258	5.109
Operating activities	-20.571	6.675	26.372	27.084	
Investment activities	-1.370	-443	-878	-878	
Financing activities	21.943	-6.231	-25.493	-25.493	
Empolyees					
Average number of employees	290	292	284	297	280
Key Ratios					
Revenue per employees	1.016	1.090	1.153	1.162	1.170
Gross margin (%)	13,8%	15,1%	16,6%	19,9%	23,0%
Profit margin (%)	-6,4%	-0,8%	4,6%	4,6%	4,2%
Equity share (%)	39,1%	39,1%	52,1%	43,8%	46,4%
Return on equity (%)	-38,8%	-4,4%	23,2%	26,5%	27,6%
Revenue/invested capital incl. goodwill (%)	9,9%	10,7%	11,0%	19,9%	54,6%
Operation margin	-6,9%	-1,4%	3,3%	5,9%	6,3%

*) The company has implemented IFRS as per 1.1.2016. The comparative figures for 2015 is 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 Danmark A/S for the financial year 1 January – 31 December 2019.

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 2019 of the Company and of the results of the Company operations and cash flows for the financial year 1 January – 31 December 2019.

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, July 6, 2020

Executive Board

Claus Rydkjær

Anders Sejersdal

Board of Directors

DocuSigned by:
Stefan Ek
BF29F534C1E5421...
Stefan Ingvar Ek
Chairman

DocuSigned by:
AC9D5CC2C71D407...
Anil Agarwal

Cécile Bordet

Cécile Geneviéve Francoise Bordet

Independent Auditor's Report

To the Shareholders of Capgemini 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 2019, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 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 Danmark A/S for the financial year 1 January - 31 December 2019, 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, June 23, 2020
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	2019 TDKK	2018 TDKK
Net revenue	3	294.691	318.265
Production costs	4,5	(254.083)	(270.309)
Gross profit		**40.608**	**47.956**
Sale and distribution costs	4,5	(16.155)	(13.460)
Administrative costs	4,5	(44.686)	(38.853)
Operating profit		**(20.233)**	**(4.357)**
Finance income	6	2.315	2.611
Finance expenses	7	(870)	(2.000)
Profit/loss before income tax		**(18.788)**	**(3.746)**
Income tax (expenses)	8	0	1.160
Profit/loss for the period		**(18.788)**	**(2.586)**
Other comprehensive income for the period, net of tax		**0**	**0**
Total comprehensive income for the period		**(18.788)**	**(2.586)**

Balance sheet

	Notes	2019 TDKK	2018 TDKK
Goodwill		26.365	26.365
Intangible assets	9	**26.365**	**26.365**
Other fixtures and fittings, tools and equipment	10	1.186	1.134
Hardware	10	380	0
Leasehold improvements	10	543	636
Right-of-use assets	11	13.068	0
Tangible assets		**15.177**	**1.770**
Deposits		1.700	1.510
Financial assets	12	**1.700**	**1.510**
Deferred tax	13	**14.454**	**14.454**
Total non-current assets		**57.696**	**44.099**
Contract asset consulting contracts	17	5.794	12.008
Trade receivables	14	38.136	48.524
Receivables from related parties		13.017	8.294
Receivable from cash pool related parties	21	1.048	12.831
Other receivables		2.496	337
Income tax receivable	8	0	0
Prepayments		977	2.739
Receivables		**61.468**	**84.733**
Cash	21	**7**	**5**
Total current assets		**61.475**	**84.738**
Total assets		**119.171**	**128.837**

Balance sheet

	Notes	2019 TDKK	2018 TDKK
Share capital	16	42.139	27.139
Retained earnings		4.433	23.221
Proposed dividens		0	0
Total equity		**46.572**	**50.360**
Lease liabilities	11	8.356	0
Total non-current liabilities		**8.356**	**0**
Lease liabilities	11	4.402	0
Contract liabilites consulting contracts	17	4.893	9.593
Trade payables		6.337	10.144
Payables to related parties		13.308	9.091
Other payables	18	35.303	49.649
Total current liabilities		**64.243**	**78.477**
Total liabilities		**72.599**	**78.477**
Total equity and liabilities		**119.171**	**128.837**

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividends	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 01.01.2018	27.139	25.807	15.200	68.146
Profit for the period	0	(2.586)	0	(2.586)
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	0	(2.586)	0	(2.586)
Transactions with owners in their capacity as owners				
Dividend paid	0	0	(15.200)	(15.200)
Equity at 31.12.2018	**27.139**	**23.221**	**0**	**50.360**
Loss for the period	0	(18.788)	0	(18.788)
Other comprehensive income for the period	0	0	0	0
Total comprehensive income for the period	0	(18.788)	0	(18.788)
Transactions with owners in their capacity as owners				
Capital increase	15.000	0	0	15.000
Dividend paid	0	0	0	0
Equity at 31.12.2019	**42.139**	**4.433**	**0**	**46.572**

Cash flow statement

	Notes	2019 TDKK	2018 TDKK
Profit/loss for the period		(18.788)	(2.586)
Non-cash items	20	3.834	(1.059)
Change in working capital	20	(7.062)	9.072
Cash flows from operating activities before financial income and expenses		**(22.016)**	**5.427**
Financial income		2.315	2.611
Financial expenses		(870)	(2.000)
Cash flows from ordinary activities		**(20.571)**	**6.038**
Income taxes paid		0	637
Net cash flow from operating activities		**(20.571)**	**6.675**
Purchase of property, plant and equipment		(1.180)	(477)
Change on deposits		(190)	34
Net cash flow from investing activities		**(1.370)**	**(443)**
Payment of receivables from related parties		(4.722)	236
Repayment of payables to related parties		4.217	2.588
Cash pool	21	11.783	6.145
Repayment of lease liabilities		(4.335)	
Capital increase from parent company		15.000	0
Dividends distributed to parent companys shareholders		0	(15.200)
Cash flow from financing activities		**21.943**	**(6.231)**
Net cash flow for the year		2	1
Cash and cash equivalents, beginning of the year		5	4
Cash and cash equivalents, end of the year	21	**7**	**5**

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Notes

1. Accounting policies

The Annual Report for the period 1 January - 31 December 2019 comprise the financial statements of Capgemini Danmark A/S.

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 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).

Changes in accounting policies
The group has applied the following IFRS standards for the first time, with effect from 1 January 2019:

- IFRS 16: Leases

As indicated in note 11, the company has adopted IFRS 16 Leases according to the modified retrospective approach as at 1 January 2019, and has not restated comparatives for 2018, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2%.

Practical expedients applied

In applying IFRS 16 for the first time, Capgemini Danmark A/S have used the following practical expedients permitted by the standard:
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases

-The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an arrangement contains a Lease.

Measurement of lease liability

	2019 TDKK
Operating lease commitments disclosed as at 31 December 2018	17.120
Discounted using the incremental borrowing rate at the date of initial application	0
Short-term leases	0
Low value leases	0
Other adjustment	-83
Lease liability recognised as at 1 January 2019	**17.037**

Functional and presentation currency

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.

Revenue

Revenue primarely comprise from consulting services and secundary from license fees and goods. Revenue from consulting service is recognised when the work is performed and when it is likely that the economic advantages including payments will accrue to the company. Revenue is recognised when the work is performed and when it is likely that the economic advantages including payments will accrue to the company.

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.

Software licenses

Fixed term license agreements give the right to use the software for a determined period of time, which can be extended at the end of the initial term.
The main performance obligation related to software license agreements is a right-to-use software license. The right to use the software license is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades and is functional without upgrades or technical support from Capgemini Danmark A/S.

Revenue from sale of standard software licenses is recognised at point-in-time when delivered, provided the delivery does not depend on client acceptance of its functionality. If there is a requirement for client acceptance of functionality, the license revenue is recognised at the time of acceptance.

Implementation

Implementation service relates to the implementation of new and existing software licenses. Implementation services are recognised over time as the work is performed. Fixed fee agreements are recognized based on percentage of completion.

Transaction price allocation

The total transaction price is allocated to each performance obligation on the basis of the relative standalone selling price of each distinct good or service.

Capgemini Danmark A/S does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, Capgemini Danmark A/S does not adjust any of the transaction prices for the time value of money.

Deferred revenue

Prepaid consulting services or software license fees are recognised as deferred revenue until the criterias and conditions for revenue recognition in relevant agreements are met.

Payment terms

Typical payment terms on the contracts are net 30 days.

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.

Sales and distribution costs

Sales and distribution expenses comprise salaries and expenses related to sales and marketing.

Administration costs

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

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.

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.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Office premises 4-5 years
Cars 3 years

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees

and

- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

To determine the incremental borrowing rate, the company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease liabilities are subsequently measured by increasing increasing the carrying amount to reflect interest on the lease liability, and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Variable lease payments, payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss and recognisized in administrative costs. Interests of lease liabilities are recognised in financial expenses. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

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

Asset and liabilities related to contracts with customers
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.

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 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 as protit before financials divided by revenue.
* Return on equity is calculated as net profit or loss for the year divided by the average
* 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 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 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 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 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 2019, 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 13.

Asset and liabilities related to contracts with customers

At the end of each accounting period, Management uses judgement when recognising fixed-price contracts in progress. Capgemini 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 17.

	2019 TDKK	2018 TDKK
3. Net revenue		
Sale of goods	2.727	2.217
Sale of services	287.205	310.788
Royalties / license:		
- at a point in time	4.758	5.260
- over time	0	0
	294.691	**318.265**

	2019 TDKK	2018 TDKK
4. Staff expenses		
Wages and salaries	186.047	196.855
Pensions, defined contribution plans	14.541	10.967
Other staff costs	9.497	9.839
	210.085	**217.661**
Average number of full time employees	290	292

Key Management Compensation

Key management includes Board of Directors and Executive Management, out of which 2 persons received compensation by end of 2019. The compensation paid or payables to key management for employee services is shown below:

	2019 TDKK	2018 TDKK
Wages and salaries	2.853	2.718
Pensions, defined contribution plans	151	147
Other long-term benefits	410	1.055
Termination benefits	410	0
	3.824	**3.920**
Compensation to the Board of Directors	0	0
Compensation to the Executive Management	3.761	3.920
	3.761	**3.920**

Former Executeive Management was part of the performance shares program in the parent company Capgemini SE. At year-end 0 shares were outstanding and no share where granted in 2019.

Performance shares	2019	2018
Outstanding at 1. january	3.100	4.600
Granted in the year	0	0
Exercised in the year	3.100	1.500
Outstanding at 31. of december	**0**	**3.100**

	2019 TDKK	2018 TDKK
5. Amortisation, depreciation and impairment losses		
Depreciation of tangible assets	840	712
Impairment loss	0	0
	840	**712**

Depreciation of tangible assets of 840 TDKK is recognized in production costs.

6. Financial income		
Exchange rate adjustments	2.314	2.611
Interest income, bank	1	0
Interest income, group company	0	0
	2.315	**2.611**

7. Financial expenses		
Interest expenses, bank borrowings	0	(1)
Interest expenses, group company	(43)	(68)
Exchange rate adjustments	(700)	(1.842)
Other financial expenses, including bank fees	(127)	(89)
	(870)	**(2.000)**

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	0	21
Total current tax income	**0**	**21**
Deferred tax:		
Increase/(decrease) in deferred tax assets	4.096	1.139
Increase in write down	(4.096)	0
Total deferred tax	**0**	**1.139**
Income tax for the period	**0**	**1.160**

Income tax is specified as follows:

Calculated 22.0% tax on profit for the year before income tax	4.133	824
Tax effects of:		
Non-deductable expenses	(37)	(46)
Adjustments in respect of prior years	0	21
Previously unrecognised tax losses now recouped	0	0
Non-recognized Deferred Tax Asset	(4.096)	361
	(0)	**1.160**
Effective tax rate	0,0%	31,0%

9. Intangible assets

	Goodwill TDKK	Total TDKK
Cost:		
At 01.01.2018	0	0
Additions during the year	26.365	26.365
At 31.12.2018	26.365	26.365
Amortisation and impairment:		
At 01.01.2018	0	0
Impairment	0	0
At 31.12.2018	0	0
Carrying amount 31.12.2018	**26.365**	**26.365**
Cost:		
At 01.01.2019	26.365	26.365
Disposal during the year	0	0
At 31.12.2019	26.365	26.365
Amortisation and impairment:		
At 01.01.2019	0	0
Disposal	0	0
Impairment	0	0
At 31.12.2019	0	0
Carrying amount 31.12.2019	**26.365**	**26.365**

Impairment test for goodwill
Goodwill is monitored by management at company level. The recognised goodwill in 2019 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 but management do monitor the acquired activity separately. The acquired activity is considered separately for 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 key assumptions for those CGUs that have significant goodwill allocated:

Operating margin	13,7%
Working Capital in % of Revenue	8,3%
Long term growth rate	2,0%
Pre-tax discount rate	6,7%

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 TDKK	Other fixtures and fittings, tools and equip-ment TDKK	Lease-hold improve ments TDKK	Total TDKK
Cost:				
At 01.01.2018	539	4.479	1.038	6.056
Additions during the year	0	207	270	477
Disposals during the year	0	0	0	0
At 31.12.2018	539	4.686	1.308	6.533
Amortisation and impairment:				
At 01.01.2018	539	3.016	497	4.052
Depreciation charge	0	536	176	712
Disposal	0	0	0	0
At 31.12.2018	539	3.552	673	4.764
Carrying amount 31.12.2018	**0**	**1.134**	**635**	**1.769**

	TDKK	TDKK	TDKK	TDKK
Cost:				
At 01.01.2019	539	4.686	1.308	6.533
Additions during the year	423	649	108	1.180
Disposals during the year	0	0	0	0
At 31.12.2019	962	5.335	1.416	7.713
Amortisation and impairment:				
At 01.01.2019	539	3.552	673	4.764
Depreciation charge	43	597	200	840
Disposal	0	0	0	0
At 31.12.2019	582	4.149	873	5.604
Carrying amount 31.12.2019	**380**	**1.186**	**543**	**2.109**

11. Leases

The company has recognised the following amounts relating to leases:

	2019 TDKK	2018 TDKK
Right-of-use assets		
Properties	10.759	0
Cars	2.309	0
	13.068	**0**
Lease liabilities		
Current	4.402	0
Non-current	8.356	0
	12.758	**0**

Additions to the right-of-use assets during the 2019 financial year were 17.037 (2018: 0).

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		
Properties	2.909	0
Cars	1.060	0
	3.969	**0**
Interest expense (included in financial expenses)	71	0
Expense relating to short-term leases (included in other operating expenses)	0	0
Expense relating to leases of low value assets that are not short-term leases (included in other operating expenses)	769	0
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses)	0	0

The total cash outflow for leases in 2019 was 4.335 (2018: 0).

Leases various properties and cars. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

12. Financial assets	Deposit TDKK	Total TDKK
Cost:		
At 01.01.2018	1.544	1.544
Additions during the year	0	0
Disposals during the year	(34)	(34)
Transferred to assets held for sale	0	0
At 31.12.2018	**1.510**	**1.510**
At 01.01.2019	1.510	1.510
Additions during the year	190	190
Disposals during the year	0	0
Transferred to assets held for sale	0	0
At 31.12.2019	**1.700**	**1.700**

	2019 TDKK	2018 TDKK
13. Deferred tax		
At 01.01.2019	14.454	13.315
Deferred tax reccognised in the income statement	4.096	1.139
Increase in write down in the income statement	(4.096)	0
At 31.12.2019	**14.454**	**14.454**
Deferred tax relates to:		
Intangible assets	9.296	9.296
Property, plant and equipment	2.102	1.917
Right of use assets (IFRS 16)	22	0
Non corrected audit differences	180	169
Tax loss carry-forwards	16.232	12.288
Write down	(13.378)	(9.216)
	14.454	**14.454**

At December 31, 2019, potentially income tax assets totaled TDKK 16,232 (2018: TDKK 12,288) in respect of tax losses carryforward amounting to TDKK 73,480. The losses can be carried forward against future taxable income. In 2019, Capgemini Danmark A/S recorded deferred tax assets totaling TDKK 14,454 (2018: TDKK 14,454), which represents the net tax benefit that the Company considers probable to be realized through the year 2020-2024, based on Company budget for 2020, and estimates for 2021-2024.
In accordance with IAS 12, Capgemini 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 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 Danmark A/S has unrecognised tax asset from tax losses amounting to TDKK 13,378 (2018:TDKK 9,216), 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.

	2019 TDKK	2018 TDKK
14. Trade receivables		
Trade receivables and other receivables at 31.12.2019	38.136	49.400
Less provision for impairment of trade receivables	0	(876)
Trade receivables net	**38.136**	**48.524**
Movement on the Company provision for impairment of trade receivables are as follows:		
Opening balances	(876)	(876)
Allowances during the year	876	0
Write-offs during the year	0	0
At 31.12.2019	**0**	**(876)**

Management has evaluated the impact of IFRS 9 and the expected loss model on the receivables and consider the effects to be immaterial for the annual report 2019.

Allocation of overdue net receivables (not written off) by maturity period are as follows:		
Up to 30 days	4.749	13.552
Between 31 and 90 days	780	2.478
Between 91 and 365 days	312	220
Overdue net receivables at 31.12.2019	**5.841**	**16.250**

15. Financial assets and liabilities

Financial assets measured at amortised cost:		
Loans and receivables:		
Trade receivables	38.136	48.524
Other receivables	2.496	337
Cash and cash equivalents	1.048	12.831
Total Loans and receivables	**41.680**	**61.692**
Total	**41.680**	**61.692**
Financial liabilities:		
Financial liabilities measured at amortised cost		
Trade payables	4.154	10.144
Other payables	35.303	49.649
Total Financial liabilities measured at amortised cost	**39.457**	**59.793**
Total	**39.457**	**59.793**

Fair values are approximately the same as the carrying amounts.

16. Share capital

The share capital is broken down as follows:

	Number of shares	Nominal value, TDKK
Shares	42.139	42.139
Share capital at 31.12.2019	**42.139**	**42.139**

No share hold any special rights.

	TDKK
Changes in share capital:	
Share capital at 01.01.2019	27.139
Shares issued	15.000
Share capital at 31.12.2019	**42.139**

Capital management

Capgemini 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 Danmark A/S has been able to decide on funding of strategic initiatives within a very short time frame.

17. Asset and liabilities related to contracts with customers

Capgemini Danmark A/S has recognised the following assets and liabilities related to contract with customers:

	2019 TDKK	2018 TDKK
Current contract asset relating to consulting contracts	5.794	12.008
Loss allowance	0	0
Total contract assets	**5.794**	**12.008**
Contract liabilites consulting contracts	4.893	9.593
Contract liabilites licens contract	0	0
Total current contract liabilities	**4.893**	**9.593**

18. Other payables

Accrued VAT, A-tax, ATP etc.	6.455	10.700
Accrued vacation pay, wages, bonuses etc.	26.980	38.113
Other accrued expenses	1.868	836
	35.303	**49.649**

19. 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	3.734	4.129
Sals of services to other related parties	34.213	26.441
	37.947	**30.570**
Purchase of goods and services		
Purchase of management services from parent	6.707	6.808
Purchase of management services from other related parties	3.060	2.163
Purchases of goods from other related parties	3.765	0
Purchases of services from parent	365	0
Purchases of services from other related parties	38.457	37.113
	52.354	**46.084**
Transactions with Parent:		
Receivables from parent	0	0
	0	**0**
Payables to parent	580	525
	580	**525**
Transactions with other related parties:		
Receivables from other related parties	13.017	7.018
	13.017	**7.018**
Payables to other related parties	12.728	8.566
	12.728	**8.566**

	2019 TDKK	2018 TDKK
20. Cash flow statement		
Adjustments		
Financial income	(2.315)	(2.611)
Financial expenses	870	2.000
Depreciation, amortisation and impairment losses, including losses and gains on sales	840	712
Repayment of lease liabilities	4.335	
Impact right-of use Assets (IFRS 16)	104	
Tax on profit/loss for the year	0	(1.160)
	3.834	**(1.059)**
Change in working capital		
Change in receivables	16.205	2.896
Change in trade payables, etc.	(22.853)	6.176
Impact right-of use Assets (IFRS 16)	(414)	0
	(7.062)	**9.072**

21. Cash at banks

Capgemini 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. Consequently, it is 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.

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 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 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.

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 31.12.2018				
Trade payables	10.144	0	0	10.144
Lease liabilities				
Other payables	0	0	0	0
	10.144	**0**	**0**	**10.144**
At 31.12.2019				
Trade payables	6.337	0	0	6.337
Lease liabilities	4.403	6.387	1.968	12.758
Other payables	0	0	0	0
	10.740	**6.387**	**1.968**	**19.095**

23. Events after the balance sheet date

In this unprecedented context of the global coronavirus pandemic, Capgemini's priority is the health and safety of its employees and ensuring the continuity of services to its clients".

The Group is therefore implementing prevention and protection measures and is constantly monitoring compliance with the decisions and recommendations of local public authorities. In addition, the Group is implementing business continuity plans that are being constantly adapted to the changing situation. To this end, Capgemini has set-up a dedicated management unit reporting directly to the Group Executive Committee. This unit, which includes representatives of all key Group functions, has implemented a series of Group instructions, protocols and processes, that are exceptional and temporary, to manage the crisis on two fronts: EMPLOYEE SAFETY and BUSINESS CONTINUITY with the massive roll-out of systematic home working in all countries impacted by the pandemic and the introduction of operational rotation for the engagements that must be conducted on-site.

At this stage, the Group considers it is in a position, notably thanks to its digital capabilities, to ensure the continuity of the essential services currently demanded by its clients. Nonetheless, future developments in the coronavirus pandemic and uncertainties as to its duration, could very significantly increase the level of risk associated with the environment in which the Group operates.

Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company. In consequence, the impairment tests made by Management at 31 December 2019 is based on the future cash flows expected by Management at 31 December 2019, which may differ from the cash flows expected by Management at the time of adoption of the Annual Report. In this respect it can be noted that Management still assesses that no impairment exists on the recognized assets in the balance sheet.

Subsequent to the balance sheet date, no other events that could significantly affect the financial statements as of 31 December 2019 have occurred.