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# Devoteam Technology Consulting A/S


Kampmannsgade 2, 1604 København V

Company reg. no. 30 91 91 49

## Annual report

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 12 July 2023.

DocuSigned by:  
  
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**Henrik Madsen**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the board of directors and the managing director have presented the annual report of Devoteam Technology Consulting A/S for the financial year 1 January - 31 December 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.


Copenhagen, 12 July 2023


### Managing Director

DocuSigned by:  
  
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Henrik Madsen

### Board of directors

DocuSigned by:  
  
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Marianne Tholin

DocuSigned by:  
  
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Sebastien Raymond Jean Chevrel

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Céline Anne Mora

## **Independent auditor's report**

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### **To the Shareholders of Devoteam Technology Consulting A/S**

#### **Opinion**

We have audited the financial statements of Devoteam Technology Consulting A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control 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.

## **Independent auditor's report**

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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.

### **Statement on Management's Review**

Management is responsible for 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.

## Independent auditor's report

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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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 12 July 2023

### Grant Thornton

State Authorised Public Accountants

Company reg. no. 34 20 99 36

DocuSigned by:

*Peter Stokholm*

D80D76AEDFE643D  
Peter Birk Stokholm

State Authorised Public Accountant

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## Company information

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<b>The company</b>	Devoteam Technology Consulting A/S Kampmannsgade 2 1604 København V
	Web site <a href="http://www.devoteam.dk">www.devoteam.dk</a>
	Company reg. no.        30 91 91 49
	Financial year:         1 January 2022 - 31 December 2022
<b>Board of directors</b>	Marianne Tholin Sébastien Raymond Jean Chevrel Céline Anne Mora
<b>Managing Director</b>	Henrik Madsen
<b>Auditors</b>	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
<b>Parent company</b>	Devoteam SA 73, Rue Anatole France, 93 300 Levallois-Perret

## Financial highlights

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DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Income statement:</b>					
Revenue	198.507	170.826	162.038	136.305	107.830
Gross profit	100.224	92.333	93.852	71.507	60.495
Profit from operating activities	29.219	33.366	30.599	19.291	16.386
Net financials	505	-760	-613	-223	-109
Net profit or loss for the year	23.170	25.365	23.378	14.846	12.670
<b>Statement of financial position:</b>					
Balance sheet total	157.404	99.631	108.926	72.437	65.570
Equity	23.918	26.047	23.983	15.405	13.259
<b>Employees:</b>					
Average number of full-time employees	82	69	68	57	46
<b>Key figures in %:</b>					
Gross margin ratio	50,5	54,1	57,9	52,5	56,1
Profit margin (EBIT-margin)	14,7	19,5	18,9	14,2	15,2
Acid test ratio	122,4	142,8	134,3	127,2	123,8
Solvency ratio	15,2	26,1	22,0	21,3	20,2
Return on equity	92,7	101,4	118,7	103,6	105,8

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.



## **Management's review**

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### **The principal activities of the company**

The company's main activity is development and marketing of IT-systems and related activities including consultancy.

### **Uncertainties about recognition or measurement**

Recognition and measurement in the financial statements are not considered to be subject to significant uncertainties.

### **Development in activities and financial matters**

The revenue for the year 2022 totals 198,507 TDKK against 170,825 TDKK last year. The results from ordinary activities after tax totals 23,170 TDKK against DKK 25,365 TDKK last year.

The management considers the results for the year satisfactory.

### **Research and development activities**

The employees represent the Company's key resource, and it is therefore important that the Company is able to recruit and retain highly qualified employees. The Company sells, implements and supports our clients' solutions based on partner software. The costs for the above activities are expensed as incurred.

### **Expected developments**

It is expected that the Company will realize positive results for the financial year 2023.

### **Events subsequent to the financial year**

There has not been any significant events subsequent to the financial year.

## Income statement 1 January - 31 December

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DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue	198.507	170.825
Other operating income	2	3.710
Direct costs	-84.912	-72.938
Other external expenses	-13.373	-9.264
<b>Gross profit</b>	<b>100.224</b>	<b>92.333</b>
1 Staff costs	-69.903	-57.869
Depreciation and impairment of non-current assets	-1.102	-1.098
<b>Operating profit</b>	<b>29.219</b>	<b>33.366</b>
Other financial income from group enterprises	1.341	0
Other financial expenses	-836	-760
<b>Pre-tax net profit or loss</b>	<b>29.724</b>	<b>32.606</b>
2 Tax on net profit or loss for the year	-6.554	-7.241
<b>3 Net profit or loss for the year</b>	<b>23.170</b>	<b>25.365</b>

## Balance sheet at 31 December

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DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>		
4 Completed development projects, including patents and similar rights arising from development projects	68	168
5 Acquired concessions, patents, licenses, trademarks, and similar rights	201	516
Total intangible assets	<u>269</u>	<u>684</u>
6 Other fixtures, fittings, tools and equipment	490	1.192
Total property, plant, and equipment	<u>490</u>	<u>1.192</u>
<b>Total non-current assets</b>	<b><u>759</u></b>	<b><u>1.876</u></b>
<b>Current assets</b>		
Trade receivables	49.647	31.959
7 Contract work in progress	3.611	2.378
Receivables from group enterprises	41.060	19.239
8 Deferred tax assets	448	99
9 Prepayments	40.073	29.373
Total receivables	<u>134.839</u>	<u>83.048</u>
Cash and cash equivalents	<u>21.806</u>	<u>14.707</u>
<b>Total current assets</b>	<b><u>156.645</u></b>	<b><u>97.755</u></b>
<b>Total assets</b>	<b><u>157.404</u></b>	<b><u>99.631</u></b>

## Balance sheet at 31 December

DKK thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Equity</b>			
	Contributed capital	557	557
	Retained earnings	361	190
	Proposed dividend for the financial year	23.000	25.300
	<b>Total equity</b>	<b>23.918</b>	<b>26.047</b>
<b>Provisions</b>			
10	Other provisions	153	0
	<b>Total provisions</b>	<b>153</b>	<b>0</b>
<b>Long term liabilities other than provisions</b>			
	Other payables	5.375	5.142
	Total long term liabilities other than provisions	5.375	5.142
7	Prepayments received from customers for contract work in progress	9.428	8.177
7	Contract work in progress	0	772
	Trade payables	22.970	4.613
	Payables to group enterprises	27.747	579
	Income tax payable	0	2.390
	Income tax payable to subsidiaries	6.733	0
	Other payables	25.261	17.942
11	Deferred income	35.819	33.969
	Total short term liabilities other than provisions	127.958	68.442
	<b>Total liabilities other than provisions</b>	<b>133.333</b>	<b>73.584</b>
	<b>Total equity and liabilities</b>	<b>157.404</b>	<b>99.631</b>
<b>12 Contingencies</b>			
<b>13 Related parties</b>			

## Statement of changes in equity

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DKK thousand.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
Equity 1 January 2022	557	190	25.300	26.047
Distributed dividend	0	0	-25.300	-25.300
Retained earnings for the year	0	170	23.000	23.170
	<b>557</b>	<b>360</b>	<b>23.000</b>	<b>23.917</b>

## Notes

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DKK thousand.

	<u>2022</u>	<u>2021</u>
<b>1. Staff costs</b>		
Salaries and wages	63.712	53.181
Pension costs	5.514	4.141
Other costs for social security	626	547
Other staff costs	51	0
	<u><b>69.903</b></u>	<u><b>57.869</b></u>
Executive board and board of directors	<u>1.742</u>	<u>2.055</u>
Average number of employees	<u>82</u>	<u>69</u>
<b>2. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	6.733	7.390
Adjustment of deferred tax for the year	-179	-149
	<u><b>6.554</b></u>	<u><b>7.241</b></u>
<b>3. Proposed distribution of net profit</b>		
Dividend for the financial year	23.000	25.300
Transferred to retained earnings	<u>170</u>	<u>65</u>
<b>Total allocations and transfers</b>	<u><b>23.170</b></u>	<u><b>25.365</b></u>

## Notes

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DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>4. Completed development projects, including patents and similar rights arising from development projects</b>		
Cost 1 January 2022	439	296
Additions during the year	<u>0</u>	<u>143</u>
<b>Cost 31 December 2022</b>	<b><u>439</u></b>	<b><u>439</u></b>
Amortisation and write-down 1 January 2022	-271	-145
Amortisation and depreciation for the year	<u>-100</u>	<u>-126</u>
<b>Amortisation and write-down 31 December 2022</b>	<b><u>-371</u></b>	<b><u>-271</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>68</u></b>	<b><u>168</u></b>
<b>5. Acquired concessions, patents, licenses, trademarks, and similar rights</b>		
Cost 1 January 2022	<u>1.151</u>	<u>1.151</u>
<b>Cost 31 December 2022</b>	<b><u>1.151</u></b>	<b><u>1.151</u></b>
Amortisation and write-down 1 January 2022	-635	-335
Amortisation and depreciation for the year	<u>-315</u>	<u>-300</u>
<b>Amortisation and write-down 31 December 2022</b>	<b><u>-950</u></b>	<b><u>-635</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>201</u></b>	<b><u>516</u></b>
<b>6. Other fixtures, fittings, tools and equipment</b>		
Cost 1 January 2022	2.997	2.099
Additions during the year	<u>0</u>	<u>898</u>
<b>Cost 31 December 2022</b>	<b><u>2.997</u></b>	<b><u>2.997</u></b>
Depreciation and write-down 1 January 2022	-1.805	-1.152
Amortisation and depreciation for the year	<u>-702</u>	<u>-653</u>
<b>Depreciation and write-down 31 December 2022</b>	<b><u>-2.507</u></b>	<b><u>-1.805</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>490</u></b>	<b><u>1.192</u></b>

## Notes

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DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>7. Contract work in progress</b>		
Selling price of the production for the period	3.611	1.606
Progress billings	<u>-9.428</u>	<u>-8.177</u>
<b>Contract work in progress, net</b>	<b><u>-5.817</u></b>	<b><u>-6.571</u></b>
The following is recognised:		
Work in progress for the account of others (current assets)	3.611	2.378
Work in progress for the account of others (prepayments received)	-9.428	-8.177
Work in progress for the account of others (short-term liabilities)	<u>0</u>	<u>-772</u>
	<b><u>-5.817</u></b>	<b><u>-6.571</u></b>
<b>8. Deferred tax assets</b>		
Deferred tax assets 1 January 2022	99	-50
Adjustment to deferred tax assets	170	0
Deferred tax of the net profit or loss for the year	<u>179</u>	<u>149</u>
	<b><u>448</u></b>	<b><u>99</u></b>
<b>9. Prepayments</b>		
Prepayments in relation to service contracts	<u>40.073</u>	<u>29.373</u>
	<b><u>40.073</u></b>	<b><u>29.373</u></b>
Prepayments comprises of prepaid expenses in relation to service contracts.		
<b>10. Other provisions</b>		
Other provisions 1 January 2022	0	0
Change in other provisions for the year	<u>153</u>	<u>0</u>
	<b><u>153</u></b>	<b><u>0</u></b>
<b>11. Deferred income</b>		
Accruals and deferred income	<u>35.819</u>	<u>33.969</u>
	<b><u>35.819</u></b>	<b><u>33.969</u></b>



## Notes

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DKK thousand.

31/12 2022

31/12 2021

Deferred income comprises of deferred income in relation to service contracts.

## Notes

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DKK thousand.

### 12. Contingencies

#### Joint taxation

With Devoteam Management Consulting A/S, company reg. no 78 06 82 13 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 13. Related parties

#### Transactions

The company has the following related party transactions:

	<u>2022</u>
Sale of services towards subsidiaries	14.681.645
Bought in services from subsidiaries	9.334.542
Administration costs from sub.	15.390.908

#### Consolidated financial statements

The company is included in the consolidated financial statements of Company:

Devoteam SA

73. Rue Anatole France

92 300 Levllois-Perret

France

## **Accounting policies**

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The annual report for Devoteam Technology Consulting A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in Danish kroner (DKK).

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Devoteam SA, Rue Anatole France 73, 92 300 Levallois-Perret, France.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

## **Accounting policies**

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Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

### **Income statement**

#### **Revenue**

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

#### **Cost of sales**

Cost of sales comprises costs concerning purchase of direct costs and consumables less discounts.

#### **Other operating income**

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including operating loss and conflict compensation as well as salary reimbursements received.

#### **Other external costs**

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### **Contract work**

Contract work comprises costs for external consultants, incurred in generating revenue for the year.

## Accounting policies

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### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### Intangible assets

#### Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement under amortisation and writedown for impairment.

## Accounting policies

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### Tangible fixed assets

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

### Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

## **Accounting policies**

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Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

## Accounting policies

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### Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### Available funds

Available funds comprise cash at bank and in hand.

### Equity

#### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Devoteam Technology Consulting A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.



## **Accounting policies**

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### **Provisions**

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Payments received concerning future income are recognised under accruals and deferred income.