

# Atos IT Solutions and Services A/S

Stensmosevej 15, 2620 Albertslund

CVR no. 33 05 10 34

## Annual report 2021

Approved at the Company's annual general meeting on 19 April 2022

Chair of the meeting:

*Hans-Henrik Queseth*

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Hans-Henrik Queseth

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Atos IT Solutions and Services A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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

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

Taastrup, 19 April 2022  
Executive Board:



Harri Petteri Saikkonen  
CEO



Claus Henrik Larsen  
Director

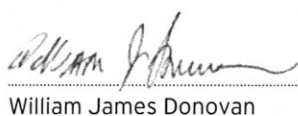


Eite Gert Everts  
Director

Board of Directors:



Clay Van Doren  
Chair



William James Donovan



Harri Petteri Saikkonen

## Independent auditor's report

To the shareholder of Atos IT Solutions and Services A/S

### Opinion

We have audited the financial statements of Atos IT Solutions and Services A/S for the financial year 1 January - 31 December 2021, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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 ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the financial statements.

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

## Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 19 April 2022  
Grant Thornton  
Statsautoriseret Revisionspartnerselskab  
CVR no. 34 20 99 36



Michael Beuchert  
State Authorised Public Accountant  
mne32794

## Management's review

### Company details

Name	Atos IT Solutions and Services A/S
Address, Postal code, City	Stensmosevej 15, 2620 Albertslund
CVR no.	33 05 10 34
Established	1 July 2010
Registered office	Albertslund
Financial year	1 January - 31 December
Board of Directors	Clay Van Doren, Chair William James Donovan Harri Petteri Saikkonen
Executive Board	Harri Petteri Saikkonen, CEO Claus Henrik Larsen, Director Eite Gert Everts, Director
Auditors	Grant Thornton Statsautoriseret Revisionspartnerselskab Stockholmegade 45, 2100 København Ø

## Management's review

### Financial highlights

DKK'000	2021	2020	2019	2018	2017
<b>Key figures</b>					
Revenue	218,725	255,064	278,673	286,836	333,546
Gross profit	9,160	-11,064	1,984	11,539	16,125
Operating profit/loss	-14,955	-28,540	-14,532	-12,594	-8,768
Net financials	-1,342	-111	-2,418	247	-198
<b>Profit/loss for the year</b>	<b>-17,437</b>	<b>-28,952</b>	<b>-17,566</b>	<b>-13,343</b>	<b>-8,966</b>
<b>Balance sheet</b>					
Total assets	130,116	220,947	115,801	176,840	154,473
Investments in property, plant and equipment	5,489	11,041	1,903	4,549	5,157
<b>Equity</b>	<b>40,076</b>	<b>57,613</b>	<b>34,368</b>	<b>52,016</b>	<b>65,493</b>
<b>Financial ratios</b>					
Gross margin	4.2%	-4.3%	0.7%	4.0%	4.8%
EBITDA-margin	-4.9%	-9.8%	-3.0%	-2.2%	-2.6%
Equity ratio	30.8%	26.1%	29.7%	29.4%	42.4%
Return on equity	-35.7%	-63.0%	-40.7%	-22.7%	-12.8%
<b>Personnel</b>					
Average number of full-time employees	89	108	98	97	107

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

Atos S.E., the ultimate parent company, is a global digital services leader. Serving a global client base, the group is the European leader in Big Data, Cybersecurity, Digital Workplace and provides Cloud services, Infrastructure & Data Management, Business & Platform solutions.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future.

Atos headquarters are based in Bezons (France). Atos IT Solutions and Services A/S is part of the Regional Business Unit Northern Europe, headquartered in London.

With the goal of being the preferred digital IT partner in the Nordics. Atos Nordics is bundling technological expertise and a wide range of solutions of the Atos operating companies of Denmark, Finland, Estonia and Sweden. Atos Nordics supports companies in their digital transformation and helps them future-proof their business.

During 2021, no major changes have been generated with existing customer agreements, contract renewals are signed with existing customers. The company continued the focus on customer satisfaction, increasing market share and leveraging global and local capabilities.

### Financial review

In 2021 the company continued the path of continuous performance improvement and finalized the year with a, non-satisfying, loss of 17,437 KDKK. As in 2020, in 2021 the company continued programs to improve efficiency and customer satisfaction.

The net turnover for 2021 declined compared to 2020 due to ending projects.

Atos had on average 89 employees in 2021.

### Non-financial matters

In 2021 Eite Everts replaced Harmen Kes in the executive board, and Clay Van Doren replaced Peter 't Jong as chairman of the board.

### "SPRING" program: moving the Group to an Industry approach

As of 2020, the Group initiated a transformation program, called "SPRING", aiming at reshaping its portfolio of offerings, reinforcing its go-to-market approach, and setting-up an Industry led organization.

In this context, six Industries were created:

- ▶ Manufacturing
- ▶ Financial Services & Insurance
- ▶ Public Sector & Defense
- ▶ Telecom, Media & Technology
- ▶ Resources & Services
- ▶ Healthcare & Life Sciences

At the same time, the Company gathers Global Business Units into 5 Regional Business Units, each of them under a single leadership.

As of February 2021, the program was fully implemented.

Atos Denmark is part of the RBU Northern Europe. RBU Northern Europe is a combination of former business units, United Kingdom & Ireland, and Benelux & The Nordics.



## Management's review

### Knowledge resources

The Atos group is committed to developing and deploying new and innovative digital solutions to address our customers' challenges.

It is a key parameter for competitive advantage to have the right competencies and knowledge-resources. Atos has a large number of highly specialized employees, and emphasizes ongoing training and development to maintain this level.

Atos' knowledge-resources are shared worldwide.

Atos is committed to increasing the Atos GreatPlaceToWork Trust Index® reflecting employee's satisfaction to Top 10% Industry benchmark.

In the Atos group great emphasis is made on developing new and highly specialized solutions to address our customers' challenges.

### Financial risks and use of financial instruments

#### ▶ Market risks

Atos IT Solutions and Services A/S is facing continuous development and growth of competition in different segments of its business. This is likely to result in increased competitive pressure on pricing and volumes. The company considers these factors when determining its overall business strategy and operating plans while monitoring the execution continuously. The company is prepared to take moderate risks to realize its strategic ambitions.

#### ▶ Risks related to contracts and performance

The main risks and uncertainties Atos IT Solutions and Services A/S is facing, includes the adequate execution of business contracts with continuous pressure on pricing and operational excellence, while continuously considering a low-risk appetite. Atos IT Solutions and Services A/S is continuously focusing on ensuring the continuity of its service delivery, regardless of circumstances.

Atos IT Solutions and Services A/S aims at reducing risks that threatens the continuity as much as possible. The risk acceptance in this regard is very low. Regarding employees, the risk of technical knowledge is mitigated by training.

Atos IT Solutions and Services A/S does not have significant concentrations of credit risk.

Regarding currency risk, the adopted policy for managing foreign exchange position is to hedge any material exposure as soon as it occurs.

### Statutory CSR report

The purpose of Atos is to help design the future of the digital space - to make it safer, more inclusive, more secure, and sustainable for everybody, while contributing to the development of scientific and technological excellence.

Atos brings the diversity of Our peoples' backgrounds and skills to make choices that will have positive economic, social, and ethnical impacts on business and humanity tomorrow. The "We are Atos" program focuses on the full lifecycle of our employee experience through these key areas: Diversity and inclusion, Social value, Wellbeing, Life@Work, and customer experience.

Geared towards sustainable and profitable growth. Atos aims to create value for all its stakeholders and society at large by being the leader in secure and decarbonized digital. The ambition is to act as trusted partner for all stakeholders - now and for the long term. Atos started its corporate social responsibility journey over ten years ago and is a recognized leader in its industry across environment, social and governance criteria. The company believes that they have a responsibility towards society and have been working to make a positive difference, particularly to the fight against climate change, for many years. Atos commits to net-zero carbon emission as soon as 2028.

More information can be found on:

<https://atos.net/content/investors-documents/ir-2020/atos-integrated-report-2020-en.pdf>

## Management's review

### Events after the balance sheet date

The COVID-19 crisis started to emerge in the first half of 2020, and has been severe, at a human, healthcare and societal level, and the outlook is challenging in the short, and medium term.

In 2022, as in 2021, the company continues to cope with a very competitive IT services market. This requires adapting to the continuous price pressure, but as well to changes in the IT market where innovation is extending the role of IT to a growth enabler role of organizations.

Due to the current corona situation, it is possible that customers will temporarily reduce demand for project support and secondment business, and the signing of new contracts might be delayed.

The Ukrainian/Russian crisis are not expected to impact operations significantly.

### Outlook

The virus outbreak in 2020 was the first of several waves impacting delay.

The Coronavirus (Covid-19) outbreak does not have significantly affected the operations and performance of Atos Denmark to date.

In combination with the group's financial position and available committed finance arrangements, the impact of COVID-19 is not expected to impair the ability to meet the company's obligations towards our clients.

The Company will continue supporting its clients with high quality services and cost-effective solutions, leveraging the Atos Group's global capabilities in Europe and in emerging countries (offshore centres). The company remains ready to react fast and respond to a change in the economic environment in Denmark.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2021	2020
	Revenue	218,724,802	255,063,928
10.2	Production costs	-209,564,400	-266,127,535
	<b>Gross profit</b>	9,160,402	-11,063,607
	Distribution costs	-15,966,193	-8,087,422
10	Administrative expenses	-8,149,478	-9,388,834
	<b>Operating profit/loss</b>	-14,955,269	-28,539,863
	Other operating expenses	-1,139,396	-300,632
	<b>Profit/loss before net financials</b>	-16,094,665	-28,840,495
	Financial income	466,676	185,300
	Financial expenses	-1,808,711	-296,481
	<b>Profit/loss before tax</b>	-17,436,700	-28,951,676
	Tax for the year	0	0
	<b>Profit/loss for the year</b>	-17,436,700	-28,951,676

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2021</u>	<u>2020</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
3	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	13,462,109	13,363,150
	Leasehold improvements	0	0
		<u>13,462,109</u>	<u>13,363,150</u>
4	<b>Investments</b>		
	Deposits, investments	0	1,315,180
		<u>0</u>	<u>1,315,180</u>
	<b>Total fixed assets</b>	<u>13,462,109</u>	<u>14,678,330</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	13,065,936	14,363,282
5	Work in progress	476,178	3,602,201
	Receivables from group enterprises	7,849,605	876,348
	Other receivables	401,287	773,017
6	Prepayments	9,784,273	12,830,277
		<u>31,577,279</u>	<u>32,445,125</u>
	<b>Cash</b>	<u>85,076,575</u>	<u>173,823,121</u>
	<b>Total non-fixed assets</b>	<u>116,653,854</u>	<u>206,268,246</u>
	<b>TOTAL ASSETS</b>	<u><u>130,115,963</u></u>	<u><u>220,946,576</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2021</u>	<u>2020</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Share capital	10,000,000	10,000,000
	Retained earnings	30,075,974	47,612,723
	<b>Total equity</b>	<u>40,075,974</u>	<u>57,612,723</u>
	<b>Liabilities other than provisions</b>		
8	<b>Non-current liabilities other than provisions</b>		
	Other payables	7,746,007	9,143,024
		<u>7,746,007</u>	<u>9,143,024</u>
	<b>Current liabilities other than provisions</b>		
	Bank debt	14,244,658	0
5	Work in progress	0	936,668
	Trade payables	37,154,027	113,922,713
	Payables to group enterprises	11,127,799	5,774,863
	Other payables	14,624,968	25,990,016
9	Deferred income	5,142,530	7,566,569
		<u>82,293,982</u>	<u>154,190,829</u>
		<u>90,039,989</u>	<u>163,333,853</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>130,115,963</u>	<u>220,946,576</u>

- 1 Accounting policies
- 11 Contractual obligations and contingencies, etc.
- 12 Related parties
- 13 Appropriation of profit/loss

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2021	10,000,000	47,612,723	57,612,723
13	Transfer, see "Appropriation of profit/loss"	0	-17,436,700	-17,436,700
	Adjustment of hedging instruments at fair value	0	-100,049	-100,049
	Equity at 31 December 2021	10,000,000	30,075,974	40,075,974

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Atos IT Solutions and Services A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective from the financial year 2021, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Atos SE.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

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

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

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

###### Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

###### Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Sales and marketing costs are recognised in the income statement when the Company obtains control of the sales or marketing product.

###### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

###### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

###### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	3-5 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

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

##### Balance sheet

##### Property, plant and equipment

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

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

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

##### Impairment of fixed assets

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

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

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

#### Receivables

Receivables are measured at amortised cost.

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

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

#### Work in progress

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

#### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

###### *Grants without consideration within a group*

Grants to a parent company without consideration are taken to equity as a dividend distribution, whereas grants received from the parent company are recognised under "Retained earnings in equity" in the balance sheet as a capital injection.

##### Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2021	2020
<b>2 Depreciation of property, plant and equipment</b>		
Depreciation of property, plant and equipment	5,373,265	3,773,983
	<u>5,373,265</u>	<u>3,773,983</u>

Depreciation of property, plant and equipment is recognised in the income statement under the following items:

Production costs	5,373,265	3,773,983
	<u>5,373,265</u>	<u>3,773,983</u>

### 3 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2021	113,714,639	3,197,878	116,912,517
Additions	5,488,517	0	5,488,517
Disposals	-85,247,440	0	-85,247,440
Cost at 31 December 2021	<u>33,955,716</u>	<u>3,197,878</u>	<u>37,153,594</u>
Impairment losses and depreciation at 1 January 2021	100,351,489	3,197,878	103,549,367
Depreciation	5,373,265	0	5,373,265
Reversal of accumulated depreciation and impairment of assets disposed	-85,231,147	0	-85,231,147
Impairment losses and depreciation at 31 December 2021	<u>20,493,607</u>	<u>3,197,878</u>	<u>23,691,485</u>
Carrying amount at 31 December 2021	<u>13,462,109</u>	<u>0</u>	<u>13,462,109</u>

### 4 Investments

DKK	Deposits, investments
Cost at 1 January 2021	1,315,180
Disposals	-1,315,180
Carrying amount at 31 December 2021	<u>0</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2021	2020
<b>5 Work in progress</b>		
Selling price of work performed	476,178	3,602,201
Progress billings	0	-936,668
	476,178	2,665,533
recognised as follows:		
Work in progress (assets)	476,178	3,602,201
Work in progress (liabilities)	0	-936,668
	476,178	2,665,533

### 6 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, primarily service arrangements.

### 7 Share capital

No shares have special rights.

The Company's share capital has remained DKK 10,000,000 over the past 5 years.

### 8 Non-current liabilities other than provisions

Of the long-term liabilities, no payments falls due after more than 5 years after the balance sheet date.

### 9 Deferred income

Deferred income consists of payments received from customers that may not be recognised until the subsequent financial year.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2021	2020
<b>10 Staff costs</b>		
Wages/salaries	71,823,516	81,347,632
Pensions	7,017,016	8,818,844
Other staff costs	-924,138	-1,048,584
	<u>77,916,394</u>	<u>89,117,892</u>
Staff costs are recognised as follows in the financial statements:		
Production	72,167,888	84,083,579
Administration	5,748,506	5,034,313
	<u>77,916,394</u>	<u>89,117,892</u>
Average number of full-time employees	<u>89</u>	<u>108</u>
Remuneration to members of Management:		
Executive Board	1,769,386	1,685,333
	<u>1,769,386</u>	<u>1,685,333</u>

Part of the remuneration to the Company's Executive Board is paid by the parent Company.

### 11 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

A payment guarantee of DKK 401,875 has been given by the company's bank connection, which expires on 1 October 2026.

#### Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>12,705,290</u>	<u>13,540,049</u>
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Rent and lease liabilities include a rent obligation totalling DKK 3,051,875 in interminable rent agreements with remaining contract terms of 5 years. Furthermore, the Company has liabilities under operating leases for cars and IT, totalling DKK 9,653,415, with remaining contract terms of 1-4 years.

### 12 Related parties

#### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Atos SE	River Quest, 80 Quai Voltaire 95877 Bezons Cedex, France	By contacting the Company or on the website <a href="http://www.atos.net/en">www.atos.net/en</a>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 12 Related parties (continued)

##### Related party transactions

Atos IT Solutions and Services A/S was engaged in the below related party transactions:

DKK	2021	2020
Sale of services	24,976,800	36,345,247
Purchase of services	42,134,200	68,242,055
Management fee	3,362,910	10,114,883
Group grants	0	52,072,230
Receivables from group enterprises	1,548,409	3,980,635
Payables to group enterprises	4,958,675	8,882,374

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Atos International BV	Burgemeester Rijnderslaan 30, 1185 MC Amstelveen, The Netherlands

#### 13 Appropriation of profit/loss

Recommended appropriation of profit/loss  
Retained earnings/accumulated loss

-17,436,700	-28,951,676
<u>-17,436,700</u>	<u>-28,951,676</u>