TIETO DK A/S

Åhave Parkvej 31, 1. TV.

DK-8260 Viby J

CVR-no 34469024

Annual Report

1 January 2017 – 31 December 2017

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 May 2018

Janne Salminen
Chairman

Contents

Company information

The Company
TIETO DK A/S
Åhave Parkvej 31, 1. TV.
DK-8260 Viby J

Municipality of reg. office:	Aarhus
CVR-no:	34469024
Financial Period:	1 January 2017 – 31 December 2017
Financial year:	6th financial year

Executive Board
Tom Leskinen, Chairman
Anna Karoliina Leinonen
Linda Rutkovska
Stefan Krebs

Board of Directors
Herluf Hansen

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report for the financial year 1 January 2017 - 31 December 2017 for TIETO DK A/S.

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 at 31 December 2017 of the Company and of the results of the Company's operations for 1 January 2017 - 31 December 2017.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Viby, 31 May 2018

Board of Directors:

Herluf Hansen

The Executive Board:

Tom Leskinen Chairman	Anna Karoliina Leinonen	Linda Rutkovska

Stefan Krebs

Independent Auditor's Report on the Financial Statement

To the Shareholders of Tieto DK A/S

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

We have audited the Financial Statements of Tieto DK A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet 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
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.

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 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.

Independent Auditor's Report on the Financial Statement

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.

Independent Auditor's Report on the Financial Statement

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, 31 May 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab, CVR-nr. 33 77 12 31

Ferass Hamade
State Authorised Public Accountant
mne35441

Management's Review

Main activity

Tieto DK A/S focuses on IT and consulting services for private clients. Customer focus is on telecommunications.

Development in the year

The income statement of the Company for 2017 shows a profit of DKK 1.396.339 and at 31 December 2017 the balance sheet of the company shows equity of DKK 6.594.040.

Subsequent events

No events materially effecting the assessment of the Annual Report have occurred after the balance sheet date.

Note	Income Statement	2017 DKK	2016 1.000 DKK
	Income Statment 1 January - 31 December		
	Gross profit/loss	**23.458.993**	**25.798**
1	Staff expenses	-21.708.168	-23.733
	Depreciations, property, plant and equipment	-69.068	-55
	Profit/loss before financial income and expenses	**1.681.757**	**2.010**
	Financial income	15.362	0
	Financial expenses	-19.344	-26
	Profit/loss before tax	**1.677.775**	**1.984**
2	Tax on profit/loss for the year	-281.436	-328
	Net profit/loss for the year	**1.396.339**	**1.656**
	Distribution of profit		
	Retained earnings	1.396.339	1.656
	Distribution of profit total	**1.396.339**	**1.656**

Note	Balance Sheet	2017 DKK	2016 1.000 DKK
	Assets 31 December		
	Other fixtures and fittings, tools and equipment	221.077	6
	Property, plant and equipment	**221.077**	**6**
	Other receivables	516.363	516
	Fixed asset investments	**516.363**	**516**
	Fixed assets	**737.440**	**522**
	Trade receivables	358.875	0
	Receivables from group enterprises	10.055.378	9.557
	Deferred tax asset	17.447	24
	Corporation tax receivable	1.377.404	451
	Other receivables	106.558	0
	Prepayments	67.876	119
	Receivables	**11.983.538**	**10.151**
	Currents assets	**11.983.538**	**10.151**
	Assets in total	**12.720.978**	**10.673**

Note	Balance Sheet	2017 DKK	2016 1.000 DKK
	Liability and Equity 31 December		
	Share capital	1.000.000	1.000
	Retained earnings	5.594.040	4.198
3	**Equity total**	**6.594.040**	**5.198**
	Trade payables	916.210	646
	Payables to group enterprises	52.129	2
	Other payables	5.158.599	4.827
	Short-term debt	**6.126.938**	**5.475**
	Short-term debt total	**6.126.938**	**5.475**
	Liabilities and equity	**12.720.978**	**10.673**

4 Contingent assets, liabilities and other financial obligations

Notes to the Financial Statements

	2017 DKK	2016 1.000 DKK

1 Staff expenses

	2017	2016
Wages and salaries	19.030.503	20.774
Pension	1.807.733	2.004
Other social security expenses	140.463	115
Other staff expenses	729.469	840
Staff expenses total	**21.708.168**	**23.733**
Avarage number of employees	26	30

2 Tax on profit/loss for the year

	2017	2016
Current tax for the year	361.011	441
Deferred tax for the year	6.832	-2
Adjustment of tax concerning previous year	0	-197
Joint tax value for group enterprises, previous years	-86.407	86
Tax on profit/loss for the year total	**281.436**	**328**

3 Equity

	Share capital DKK	**Retained earnings** DKK	**Total** DKK
Opening balance	1.000.000	4.197.701	5.197.701
Retained earnings	0	1.396.339	1.396.339
Equity total	**1.000.000**	**5.594.040**	**6.594.040**

4 Contingent assets, liabilities and other financial obligations

The company has signed leases, which imposed a total rental obligation of tDKK 843 per 31 December 2017, of this tDKK 141 is payable after 1 year.

The company is jointly and severally liable with the sister company Tieto Denmark A/S for Danish corporation tax, tax on dividends and royalties within the joint taxation.

Accounting Policies

Basis of Preparation
The Annual Report of Tieto DK A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remains unchanged from last year.

Financial Statements for 2017 are presented in DKK.

Recognition and measurement
The Financial Statements have been prepared under the historical cost method.

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversal due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it's probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies
Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Accounting Policies

Income Statement

Revenue
Revenue from the sale of services is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating sales.

Gross Profit/loss
Net sales minus costs of raw materials and consumables and other external expenses are summarized in the item "Gross profit/loss".

The items revenue, direct costs, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses
Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses
Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Accounting Policies

Balance Sheet

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises 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 and fittings, tools and equipment	3-5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13.200 are expensed in the year of acquisition.

Impairment of fixed assets
The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.
The recoverable amount of the asset is calculated as the higher of net selling price and value in use.

Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Receivables
Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments
Prepayments comprise prepaid expenses concerning rent, licenses, insurance premiums, subscriptions and interest.

Financial debts
Other debts are measured at amortised cost, substantially corresponding to nominal value.

Accounting Policies

Deferred tax assets and liabilities
Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.