

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

CVR-no 34469024

Annual Report
1 January 2018 – 31 December 2018

The Annual Report was presented and adopted at the Annual General Meeting of the Company on May 3rd 2019

Janne Salminen
Chairman

Contents

Company information	2
Management's Statement	3
Independent Auditor's Report on the Financial Statement	4
Management's Review	7
Income Statement 1 January - 31 December	8
Assets	9
Liabilities	10
Notes to the Financial Statement	11
Accounting Policies	12

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 2018 – 31 December 2018

Financial year:

7th 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 2018 - 31 December 2018 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 2018 of the Company and of the results of the Company's operations for 1 January 2018 - 31 December 2018.

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, May 3rd 2019

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 Shareholder 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 2018, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018 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 2018, 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, May 3rd 2019

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 2018 shows a profit of DKK 1.469.561 and at 31 December 2018 the balance sheet of the company shows equity of DKK 3.563.602.

Subsequent events

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

		2018	2017
Note	Income Statement	DKK	1.000 DKK
Income Statment 1 January - 31 December			
	Gross profit/loss	19.980.371	23.459
1	Staff expenses	-17.952.496	-21.708
	Depreciations, property, plant and equipment	-136.690	-69
	Profit/loss before financial income and expenses	1.891.185	1.682
	Financial income	1.986	15
	Financial expenses	-8.635	-19
	Profit/loss before tax	1.884.536	1.678
2	Tax on profit/loss for the year	-414.975	-281
	Net profit/loss for the year	1.469.561	1.396
Distribution of profit			
	Retained earnings	-4.930.439	1.396
	Extraordinary dividends during the year	4.500.000	0
	Proposed dividend for the year	1.900.000	0
	Distribution of profit total	1.469.561	1.396

	2018	2017
Note	DKK	1.000 DKK
Balance Sheet		
Assets 31 December		
Other fixtures and fittings, tools and equipment	361.803	221
Property, plant and equipment	361.803	221
Other receivables	255.475	516
Fixed asset investments	255.475	516
Fixed assets	617.278	737
Trade receivables	564.094	359
Receivables from group enterprises	5.624.848	10.055
Deferred tax asset	18.084	17
Corporation tax receivable	1.438.376	1.377
Other receivables	0	107
Prepayments	57.068	69
Receivables	7.702.470	11.984
Currents assets	7.702.470	11.984
Assets in total	8.319.748	12.721

		2018	2017
Note	Balance Sheet	DKK	1.000 DKK
	Liability and Equity 31 December		
	Share capital	1.000.000	1.000
	Retained earnings	663.602	5.594
	Proposed dividend for the year	1.900.000	0
3	Equity total	3.563.602	6.594
	Trade payables	274.045	916
	Payables to group enterprises	238.610	52
	Other payables	4.243.491	5.159
	Short-term debt	4.756.146	6.127
	Short-term debt total	4.756.146	6.127
	Liabilities and equity	8.319.748	12.721
4	Contingent assets, liabilities and other financial obligations		

	2018	2017
Notes to the Financial Statements	DKK	1.000 DKK

1 Staff expenses

Wages and salaries	15.678.886	19.031
Pension	1.490.450	1.808
Other social security expenses	145.515	140
Other staff expenses	637.645	729
Staff expenses total	17.952.496	21.708

Average number of employees	22	26
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2 Tax on profit/loss for the year

Current tax for the year	415.624	361
Deferred tax for the year	-636	7
Tax, previous years	-13	-86
Tax on profit/loss for the year total	414.975	281

3 Equity

	Share capital	Retained earnings	Proposed dividend	Total
	DKK	DKK	DKK	DKK
Opening balance	1.000.000	5.594.041	0	6.594.041
Extraordinary dividend for the year	0	-4.500.000	0	-4.500.000
Netprofit/loss for the year	0	-430.439	1.900.000	1.469.561
Equity total	1.000.000	663.602	1.900.000	3.563.602

4 Contingent assets, liabilities and other financial obligations

The company has signed leases, which imposed a total rental obligation of tDKK 565 per 31 December 2018.

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 2018 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 2018 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.

Cost for raw materials and consumables

Cost for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

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
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Depreciation period and residual value are reassessed annually.

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.