Tieto DK A/S

Åhave Parkvej 27, 2., DK-8260 Viby J

Annual Report for 1 January - 31 December 2015

CVR No 34 46 90 24

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 8 /4 2016

Janne Salminen
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Tieto DK A/S for the financial year 1 January - 31 December 2015.

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 2015 of the Company and of the results of the Company operations for 2015.

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, 8 April 2016

Direktion

Herluf Hansen

Bestyrelse

Stefan Krebs Chairman	Herluf Hansen	Esa Hyttinen

Independent Auditor's Report on the Financial Statements

To the Shareholders of Tieto DK A/S

Report on the Financial Statements

We have audited the Financial Statements of Tieto DK A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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.

Auditor's Responsibility
Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Independent Auditor's Report on the Financial Statements

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 8 April 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Simon Høgenhav
statsautoriseret revisor

Company Information

The Company	Tieto DK A/S Åhave Parkvej 27, 2. DK-8260 Viby J CVR No: 34 46 90 24 Financial period: 1 January - 31 December Financial year: 4th financial year Municipality of reg. office: Århus
Board of Directors	Stefan Krebs, Chairman Herluf Hansen Esa Hyttinen
Executive Board	Herluf Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Main activity

Tieto DK A/S focuses on IT and consulting services, software and licenses for private and public clients. Customer focus is on financial corporations, health, media and telecommunications.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 12,980,476, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 11,841,598.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Revenue		**61.941.462**	**72.705.393**
Other operating income		11.837.713	4.065.830
Expenses for sub suppliers		-18.711.901	-15.064.525
Other external expenses		-4.792.539	-7.545.883
Gross profit/loss		**50.274.735**	**54.160.815**
Staff expenses	1	-33.258.617	-36.524.916
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-55.365	-78.693
Profit/loss before financial income and expenses		**16.960.753**	**17.557.206**
Financial income		50.476	66.808
Financial expenses	2	-41.002	-49.557
Profit/loss before tax		**16.970.227**	**17.574.457**
Tax on profit/loss for the year	3	-3.989.751	-4.403.721
Net profit/loss for the year		**12.980.476**	**13.170.736**

Distribution of profit

Proposed distribution of profit

	2015	2014
Extraordinary dividend paid	11.700.000	7.300.000
Proposed dividend for the year	8.300.000	10.000.000
Retained earnings	-7.019.524	-4.129.264
	12.980.476	**13.170.736**

Balance Sheet 31 December

Assets

	Note	2015	2014
		DKK	DKK
Other fixtures and fittings, tools and equipment		61.686	117.047
Property, plant and equipment	4	**61.686**	**117.047**
Other receivables		516.363	746.874
Fixed asset investments		**516.363**	**746.874**
Fixed assets		**578.049**	**863.921**
Trade receivables		2.228.515	14.308.774
Contract work in progress	5	0	147.081
Receivables from group enterprises		18.956.756	21.876.754
Other receivables		49.750	24.038
Deferred tax asset		20.656	105.011
Prepayments		74.633	1.907.309
Receivables		**21.330.310**	**38.368.967**
Cash at bank and in hand		**316.033**	**6.534.206**
Currents assets		**21.646.343**	**44.903.173**
Assets		**22.224.392**	**45.767.094**

Balance Sheet 31 December

Liabilities and equity

	Note	2015	2014
		DKK	DKK
Share capital		1.000.000	1.000.000
Retained earnings		2.541.598	9.561.122
Proposed dividend for the year		8.300.000	10.000.000
Equity	6	**11.841.598**	**20.561.122**
Other provisions	7	0	425.000
Provisions		**0**	**425.000**
Trade payables		749.145	6.152.737
Prepayments received recognised in debt	5	1.957	6.256.967
Payables to group enterprises		217.748	61.057
Corporation tax		3.689.395	2.445.820
Other payables		5.724.549	9.864.391
Short-term debt		**10.382.794**	**24.780.972**
Debt		**10.382.794**	**24.780.972**
Liabilities and equity		**22.224.392**	**45.767.094**
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership	9		

Notes to the Financial Statements

		2015	2014
		DKK	DKK
1	**Staff expenses**		
	Wages and salaries	32.477.639	34.963.440
	Other social security expenses	317.174	410.357
	Other staff expenses	1.197.256	1.151.119
		33.992.069	**36.524.916**
	Invoiced to Group Companies	-733.452	0
		33.258.617	**36.524.916**
	Average number of employees	**43**	**52**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

2 Financial expenses

	2015	2014
Interest paid to group enterprises	379	0
Other financial expenses	40.623	49.557
	41.002	**49.557**

3 Tax on profit/loss for the year

	2015	2014
Current tax for the year	3.905.395	3.945.820
Deferred tax for the year	84.355	485.439
Adjustment of tax concerning previous years	1	-27.538
	3.989.751	**4.403.721**

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	308.801
Cost at 31 December	308.801
Impairment losses and depreciation at 1 January	191.754
Depreciation for the year	55.361
Impairment losses and depreciation at 31 December	247.115
Carrying amount at 31 December	**61.686**

	2015	2014
	DKK	DKK

5 Contract work in progress

	2015	2014
Selling price of production for the period	264.550	195.819
Payments received on account	-266.507	-6.305.705
	-1.957	**-6.109.886**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	0	147.081
Prepayments received recognised in debt	-1.957	-6.256.967
	-1.957	**-6.109.886**

Notes to the Financial Statements

6 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1.000.000	9.561.122	10.000.000	20.561.122
Ordinary dividend paid	0	0	-10.000.000	-10.000.000
Extraordinary dividend paid	0	-11.700.000	0	-11.700.000
Net profit/loss for the year	0	4.680.476	8.300.000	12.980.476
Equity at 31 December	**1.000.000**	**2.541.598**	**8.300.000**	**11.841.598**

The share capital consists of 1,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

In 2012 a capital increase was carried out in connection with the merger, during which tDKK 500 was contributed to the share capital.

The share capital has developed as follows:

	2015	2014	2013	2012
	DKK	DKK	DKK	DKK
Share capital at 1 January	1.000.000	1.000.000	1.000.000	500.000
Capital increase	0	0	0	500.000
Capital decrease	0	0	0	0
Share capital at 31 December	**1.000.000**	**1.000.000**	**1.000.000**	**1.000.000**

7 Other provisions

Other provisions primarily concerns provisions for loss making contracts, terminated tenancies and terminated employees.

	2015	2014
	DKK	DKK
Other provisions	0	425.000
	0	**425.000**

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

The company has signed leases, which imposed a total rental obligation of kDKK 1.123 per 31 December 2015.

9 Related parties and ownership

	Basis
Controlling interest	
Tieto Oyj, Finland	Majority shareholder
Other related parties	
Stefan Krebs	Chairman of the Board of Directors

Transactions

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties.

Ownership

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

Tieto Oyj, Aku Korhosen tie 2-6, 00441 Helsinki, Finland

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company Tieto Oyj.

The Group Annual Report of may be obtained at the following address:

Tieto Oyj
Aku Korhosen tie 2-6
00441 Helsinki
Finland

Accounting Policies

Basis of Preparation

The Annual Report of Tieto DK A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

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

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

Assets are recognised in the balance sheet when it is 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 recognised 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of

Accounting Policies

discounts relating to sales.

Expenses for sub suppliers

Expenses for sub suppliers comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised 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.

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 12,800 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 amortisation 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.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Accounting Policies

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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.

Financial debts

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