

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

CVR-no 34469024

Annual Report
1 January 2019 – 31 December 2019

The Annual Report was presented and adopted at the Annual General Meeting of the Company
On 30. June 2020

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	13

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 2019 – 31 December 2019
Financial year:	8th financial year

Executive Board

Harri Salomaa, Chairman
Mari Johanna Salminen
Linda Rutkovska
Stefan Krebs

Board of Directors

Herluf Hansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Postboks 1600
Weidekampsgade 6
DK-2300 København S

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report for the financial year 1 January 2019 - 31 December 2019 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 2019 of the Company and of the results of the Company's operations for 1 January 2019 - 31 December 2019.

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, 30. June 2020

Board of Directors:

Herluf Hansen

The Executive Board:

Harri Salomaa
Chairman

Mari Johanna Salminen

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 2019, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019 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 2019, 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, 30. June 2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 96 35 56

Christian Sanderhage

Statsautoriseret revisor

mne23347

Management's Review

Main activity

Tieto DK A/S is a subsidiary of TietoEVERY Oy, Helsinki, Finland. Headquartered in Finland, TietoEVERY employs around 24.000 experts globally. The company serves thousands of enterprise and public sector customers in more than 90 countries. TietoEVERY's annual turnover is approximately EUR. 3 billion and its shares are listed on the NASDAQ in Helsinki and Stockholm as well as on the Oslo Børs.

TietoEVERY creates digital advantage to businesses and society. We are a leading digital services and software company with local presence and global capabilities. Our Nordic values and heritage steer our success.

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 2019 shows a profit of DKK 1.255.591 and at 31 December 2019 the balance sheet of the company shows equity of DKK 2.919.194.

Subsequent events

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

The COVID-19 situation in Denmark and globally has not, in all essentials affected the business in Tieto DK A/S. Neither during the closure of significant parts of Danish society March-May 2020, where our employees have been working from home, nor do we expect any major COVID-19 effects to the business in Tieto DK A/S in the future.

		2019	2018
Note	Income Statement	DKK	1.000 DKK
Income Statment 1 January - 31 December			
	Gross profit/loss	16.172.197	19.980
1	Staff expenses	-14.406.898	-17.952
	Depreciations, property, plant and equipment	-141.830	-137
	Profit/loss before financial income and expenses	1.623.469	1.891
	Financial income	1.042	2
	Financial expenses	-14.791	-9
	Profit/loss before tax	1.609.720	1.885
2	Tax on profit/loss for the year	-354.129	-415
	Net profit/loss for the year	1.255.591	1.470
Distribution of profit			
	Retained earnings	155.591	-4.930
	Extraordinary dividends during the year	0	4.500
	Proposed dividend for the year	1.100.000	1.900
	Distribution of profit total	1.255.591	1.470

Note	Balance Sheet	2019 DKK	2018 1.000 DKK
	Assets 31 December		
3	Other fixtures and fittings, tools and equipment	219.973	362
	Property, plant and equipment	219.973	362
	Other receivables	255.475	255
	Fixed asset investments	255.475	255
	Fixed assets	475.448	617
	Trade receivables	623.757	564
	Receivables from group enterprises	5.532.109	5.625
	Deferred tax asset	24.866	18
	Corporation tax receivable	369.436	1.438
	Prepayments	0	57
	Receivables	6.550.168	7.702
	Currents assets	6.550.168	7.702
	Assets in total	7.025.616	8.320

		2019	2018
Note	Balance Sheet	DKK	1.000 DKK
	Liability and Equity 31 December		
	Share capital	1.000.000	1.000
	Retained earnings	819.194	664
	Proposed dividend for the year	1.100.000	1.900
4	Equity total	2.919.194	3.564
	Trade payables	148.945	274
	Payables to group enterprises	158.192	239
	Other payables	3.799.285	4.243
	Short-term debt	4.106.422	4.756
	Debt total	4.106.422	4.756
	Liabilities and equity	7.025.616	8.320
5	Contingent assets, liabilities and other financial obligations		

Notes to the Financial Statements	2019 DKK	2018 1.000 DKK
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1 Staff expenses		
Wages and salaries	13.074.792	15.679
Pension	1.184.358	1.490
Other social security expenses	147.748	145
Other staff expenses	0	638
Staff expenses total	14.406.898	17.952
Average number of employees	17	22
2 Tax on profit/loss for the year		
Current tax for the year	360.910	416
Deferred tax for the year	-6.782	-1
Tax, previous years	1	0
Tax on profit/loss for the year total	354.129	415
3 Other fixtures and fittings, tools and equipment		
Cost at 1 January	561.239	593
Additions for the year	603.017	277
Disposals during the year	-603.017	-309
Cost at 31 December	561.239	561
Impairment losses and amortisation at 1 January	-199.436	-372
Depreciation and amortisation of disposed assets	0	309
Amortisation for the year	-141.830	-137
Impairment losses and amortisation at 31 December	-341.266	-199
Carrying amount at 31 December	219.973	362

	2019	2018
Notes to the Financial Statements	DKK	1.000 DKK

4 Equity	Share capital	Retained earnings	Proposed dividend	Total
	DKK	DKK	DKK	DKK
Opening balance	1.000	664	1.900	3.564
Dividend for the year	0	0	-1.900	-1.900
Netprofit/loss for the year	0	155	1.100	1.255
Equity total	1.000	819	1.100	2.919

5 Contingent assets, liabilities and other financial obligations

	2019	2018
		tDKK
The company has signed leases, which impose a total obligation:	440.462	565

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 2019 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, are consistent with last year. Reclassifications between accounting items compared to last year have been made with no effect on profit and equity.

Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

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 recognized 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 social security contributions, pension contributions etc. for Entity staff.

Financial income and expenses

Financial income and expenses comprises interests, including interest on receivables from group entities, bank charges etc.

Accounting Policies

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
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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.

Accounting Policies

Prepayments

Prepayments, which are recognized as assets, 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.

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.