

# **Enterprise Services Denmark ApS**

*Company Registration No 37 83 88 29*

*Retortvej 8, 2500 Valby*

## **Annual report**

**1 April 2018 – 31 March 2019**

The annual report is presented and adopted on the  
Annual General Meeting on

**Jukka Jantti**  
Chairman of the Annual General Meeting

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# Enterprise Services Denmark ApS

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## **Enterprise Services Denmark ApS**

### **Company details**

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#### **Company**

Enterprise Services Denmark ApS  
Company Registration No: 37 83 88 29  
Municipality of domicile: Copenhagen  
Phone: +45 36 14 40 00  
Internet: [www.dxc.technology.com](http://www.dxc.technology.com)

#### **Executive Board**

Jørgen Jakobsen  
Charlotte Grønfeldt Lundblad  
Ebba Johanna Björnsdotter Waltre

#### **Company auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6, 2300 Copenhagen S, Denmark

#### **Bankers**

SEB  
Citibank

## **Enterprise Services Denmark ApS Management's statement**

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The Executive Board have today considered and approved the annual report of Enterprise Services Denmark ApS for the financial year 1 April 2018 to 31 March 2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the Company's financial position at 31 March 2019 and of its financial performance for the financial year 1 April 2018 – 31 March 2019.

We believe that the management report contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen,

### **Executive Board**

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Jørgen Jakobsen

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Charlotte Grønfeldt Lundblad

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Ebba Johanna Björnsdotter Waltre

## **Enterprise Services Denmark ApS**

### **Independent auditor's reports**

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#### **To the shareholders of Enterprise Services Denmark ApS**

##### **Opinions**

We have audited the financial statements of Enterprise Services Denmark ApS for the financial year 01.04.2018 - 31.03.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.03.2019 and of the results of its operations for the financial year 01.04.2018 – 31.03.2019 in accordance with the Danish Financial Statements Act.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

##### **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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

## **Enterprise Services Denmark ApS**

### **Independent auditor's reports (continued)**

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

## **Enterprise Services Denmark ApS**

### **Independent auditor's reports (continued)**

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#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen,

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Henrik Hjort Kjelgaard  
State-Authorised  
Public Accountant  
Mne 29484

Kåre Konge Breindal  
State-Authorised  
Public Accountant  
Mne 40761

## **Enterprise Services Denmark ApS Management report**

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### **Core business activity**

Enterprise Services Denmark ApS (the Company) is a subsidiary of the US based IT group DXC Technology Company, and its sole shareholder is ES Hague BV Netherlands.

The Company's core business is the sales of services within the development, maintenance, integration and operation of IT solutions to private and the public sector.

### **Financial matters**

The income statement of the Company for 2018/2019 shows revenue of TDKK 57,158 with a result for the year at TDKK 481. At March, 31, 2019 the balance sheet of the Company shows equity of TDKK 5.956 while total assets were TDKK 261,704.

For the coming year the gross profit as well as the profit for the year are expected to be settled on the same level compared to 2018/2019.

### **Development in activities**

Due to ES spin-off and CSC acquisition, DXC Technology entered a global agreement of a committed asset purchase for FY18. This was operationally driven during FY18.

At the end of FY18 DXC had not fully utilized the committed purchase and decided to pre-buy assets aimed at future allocation and utilization in services across the global organization.

Purchased assets were allocated across the global organization based on estimated near term utilization. Denmark was chosen as the storing location for assets aimed at EU countries outside UK. Assets worth a value of MDKK 158 was allocated to Denmark and financed through a capital lease with HP Enterprise Financial Services leasing provider.

DXC driven a global program focused on optimizing asset utilization while ensuring approved, compliant and audited financial treatment from a global perspective. Our World Wide organization has stated that this is handled through a globally focused process.

Non-deployed assets have remained physically in the Danish warehouse.

### **Subsequent events**

No events have occurred after the fiscal year end up until this date that affect the balance sheet and subsequently this annual report.



## **Enterprise Services Denmark ApS**

### **Accounting policy**

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#### **Reporting class**

This annual report for Enterprise Services Denmark ApS for the financial year 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises, with additions of certain provisions for reporting class C.

#### **Recognition and measurement**

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

Liabilities are recognised in the balance sheet when the company 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 company, and the value of the liabilities 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.

Financial assets and liabilities are measured on the basis of amortised cost – within which a fixed interest rate is used. Amortised cost is calculated as the purchase price inclusive of any accumulated amortised additions/deductions of the difference between the cost price and the nominal value.

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 hereunder valuation adjustments of financial assets and liabilities measured at fair value or amortised cost is recognised in the income statement when earned. Costs that have been incurred in order to generate earnings are recognised in the income statement hereunder depreciation, write downs, provisions.

#### **Foreign currency translation**

On initial recognition, foreign currency transactions are converted by applying the exchange rate as at the transaction date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date and the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are converted using the exchange rate at the balance sheet date. The difference between the spot exchange rate and the date when the receivable or liability is realised, is recognised in the income statement under financial income and costs.

Plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

The accounting principles applied to these financial statements are consistent with those applied last year.

## **Enterprise Services Denmark ApS**

### **Accounting policy**

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#### **Income statement**

##### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made, risk has transferred to the buyer, if the revenue can be calculated reliably and it is expected that payment is received. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the fixed consideration net of VAT and duties charged on behalf of a third party.

##### **Cost of Sale**

Cost of sale includes project revenue related costs, subcontracted and direct.

##### **Other external expenses**

Other external expenses include expenses for distribution, sale, marketing, administration, premises, loss on bad debts etc.

##### **Personnel expenses**

Personnel expenses include salaries and wages as well as social insurance contributions, pension contributions etc. for the company's employees.

Regulatory mechanisms for benefits to employees by social security, pensions or insurance nature is recognised in income, as the obligation arises, as a proportion of its staff costs.

##### **Depreciation and Impairment**

Depreciation on assets and goodwill amortization. Analysis of goodwill position result in specific impairment has been made to secure future goodwill is in line with expected cash flow NPV.

##### **Financial income and expenses**

These items comprise interest income and expenses, realised and unrealised capital gains and losses on payables and transactions in foreign currencies etc as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

##### **Income tax**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## **Enterprise Services Denmark ApS**

### **Accounting policies (continued)**

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#### **Balance sheet**

##### **Other fixtures and fittings, tools and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Costs include the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

##### **Devaluation of fixed assets**

Tangible assets are written down to the lower of recoverable amount and carrying amount.

The accounting value of fixed assets is evaluated yearly for indications of a decrease in value over and above that caused by depreciation.

If it becomes apparent that assets devalue, an impairment test is made of each and every asset or asset class.

##### **Intangible assets**

Purchased softwares are measured at cost less accumulated amortisation and impairment losses. These are amortised over the term of agreement usually 3-10 years.

##### **Goodwill**

Goodwill from the acquisition of assets from Hewlett-Packard ApS is amortized over standard life 10 years with additional impairment analysis suggest the further write down of goodwill and remaining balance reflect impaired value.

##### **Receivables**

Receivables are measured at amortised cost, usually equaling nominal value.

A write down to counter to receivables will be performed if there are objective indications that the receivable or portfolio of receivables have devalued. If a single receivable is deemed to have devalued, then the write down will be undertaken on an individual receivable.

Write downs are calculated as the difference between the accounting value of receivables and the present value of the expected cash flows.

##### **Prepayments**

Prepayments disclosed as current assets include incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Costs for conclusion of outsourcing contracts are recognised in prepayments and amortized over the contract period.

## **Enterprise Services Denmark ApS**

### **Income statement for the period 1 April 2018 – 31 March 2019**

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#### **Tax payable and deferred tax**

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the value of the carried forward taxable losses, are recognised in the balance sheet at their estimated realisable value, either to off-set future taxable income or deferred tax liabilities within the same legal entity or jurisdiction.

The company has entered into a joint taxation agreement. The actual Danish corporate tax is divided between the jointly taxed companies in proportion to their taxable income (distribution with reimbursement on losses).

#### **Provisions**

Provisions regard expected costs for restructuring and pensions. Accrued provisions are recognised when the company – due to a prior period event – has a legal or actual obligation and that fulfilling these obligations will lead to use of the company's financial resources. Provisions are measured at net realization value.

#### **Other liabilities**

Financial liabilities which include trade payables and liabilities to other group entities are measured at net realization value which usually corresponds to nominal value.

#### **Deferred income**

Deferred income includes received income for recognition in subsequent financial years. Deferred income is measured at cost.

**Enterprise Services Denmark ApS**  
**Income statement for the period 1 April 2018 – 31 March 2019**

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	Note	01.04.2018- 31.03.2019 DKK'000	01.11.2016- 31.03.2018 DKK'000
Revenue		57,158	82,449
Cost of sales		(7,798)	(25,930)
Other external expenses		(8,132)	(6,371)
<b>Gross profit</b>		<b>41,228</b>	<b>50,149</b>
Personnel expenses	1	(27,668)	(47,481)
Depreciation and goodwill impairment		(11,058)	(3,875)
<b>Earnings from operating activity</b>		<b>2,502</b>	<b>(1,208)</b>
Financial income		1,167	3,168
Financial expenses		(3,718)	(782)
<b>Profit/(loss) before income tax</b>		<b>(48)</b>	<b>1,178</b>
Tax on profit /(loss)	2	530	(370)
<b>Profit/(loss) for the year</b>		<b>481</b>	<b>808</b>
<b>Proposed distribution of profit</b>	3		

**Enterprise Services Denmark ApS**  
**Balance sheet as at 31 March 2019**

Assets	Note	2019 DKK'000	2018 DKK'000
Goodwill	4	3,963	9,015
<b>Intangible assets</b>		<b>3,963</b>	<b>9,015</b>
Other fixtures and fittings, tools and equipment		154,427	1,695
<b>Plant and equipment</b>	5	<b>154,427</b>	<b>1,695</b>
<b>Non-current assets</b>		<b>42,044</b>	<b>10,710</b>
Trade receivables		11,779	11,340
Group entity receivables		21,275	8,198
Other receivables		50,918	3,886
Deferred tax asset		420	560
Prepayments		0	483
<b>Receivables</b>		<b>84,392</b>	<b>24,467</b>
<b>Cash and cash equivalents</b>		<b>18,923</b>	<b>2,074</b>
<b>Current assets</b>		<b>103,314</b>	<b>26,541</b>
<b>Assets</b>		<b>261,704</b>	<b>37,251</b>

**Enterprise Services Denmark ApS**  
**Balance sheet as at 31 March 2019**

<b>Liabilities</b>	<b>Note</b>	<b>2019</b> <b>DKK'000</b>	<b>2018</b> <b>DKK'000</b>
Share capital		50	50
Share premium		4,618	4,618
Retained earnings		1,288	808
<b>Equity</b>		<b>5,956</b>	<b>5,476</b>
Long-term lease liabilities		103,859	0
<b>Long-term liabilities</b>		<b>103,859</b>	<b>0</b>
Trade payables		4,181	1,457
Current lease liabilities		31,159	0
Group entity payables		99,616	14,395
Other payables		16,281	14,296
Income tax liability		0	808
Deferred income		652	819
<b>Current liabilities</b>		<b>151,889</b>	<b>31,775</b>
<b>Liabilities other than provisions</b>		<b>255,748</b>	<b>31,775</b>
<b>Equity provisions and liabilities</b>		<b>261,704</b>	<b>37,251</b>

**Enterprise Services Denmark ApS**  
**Statement of changes in equity**

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	<u>Share Capital</u> <u>DKK'000</u>	<u>Retained Earnings</u> <u>DKK'000</u>	<u>Total</u> <u>DKK'000</u>
<b>Equity as at 1 April 2018</b>	50	5,427	5,477
Share capital	-	-	-
Share premium	-	-	-
Profits / losses of the year	-	481	481
<b>Equity as at 31 March 2019</b>	<u>50</u>	<u>5,908</u>	<u>5,958</u>



## Enterprise Services Denmark ApS

### Notes

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#### 1 Personnel expenses

	<b>2018/19</b>	<b>2016/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Salaries and wages	24,546	40,148
Pension costs	2,264	3,324
Restructuring costs	852	2,461
Other social security costs	6	969
	<u>27,668</u>	<u>46,902</u>
Average number of employees	<u>25</u>	<u>33</u>

The Board of Directors are employed by group companies.

#### 2 Income taxes

	<b>2018/19</b>	<b>2016/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	0	807
Change in current tax	(806)	0
Change in deferred tax	124	(560)
Withholding tax	137	123
	<u>(545)</u>	<u>370</u>

#### 3 Proposed distribution of profit

	<b>2018/19</b>	<b>2016/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	481	808
	<u>481</u>	<u>808</u>

## Enterprise Services Denmark ApS Notes

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<b>4 Goodwill</b>	<b>Goodwill DKK'000</b>
Cost as at 1 April 2018	12,641
Additions	-
Disposals	-
<b>Cost as at 31 March 2019</b>	<b>12,641</b>
<b>Depreciation and impairment of goodwill as at 1 April 2018</b>	<b>(3.626)</b>
Depreciation for the year	(1,265)
Impairment	(3,788)
<b>Depreciation and impairment of goodwill as at 31 March 2019</b>	<b>(8.679)</b>
<b>Carrying amount as at 31 March 2019</b>	<b>3,963</b>
	<b>Other fixtures DKK'000</b>
<b>5 Plant and equipment</b>	
Cost as at 1 April 2018	1.944
Additions	158.688
<b>Cost as at 31 March 2019</b>	<b>160.632</b>
<b>Depreciation as at 1 April 2018</b>	<b>(249)</b>
Depreciation for the year	(5,956)
<b>Depreciation as at 31 March 2019</b>	<b>(6.205)</b>
<b>Carrying amount as at 31 March 2019</b>	<b>154.427</b>

Fixed assets addition increase is caused mainly by acquired pre-buy assets TDKK 157.411 as part of global agreement during Enterprise Services spin-off and CSC acquisition. As at March 31, 2019 TDKK 116,346 was not capitalized while TDKK 41,065 was capitalized. Pre-buy assets are subjected to amortization for 60 months

## 6 Unrecognized rental and lease commitments

The Company has lease obligation towards HP Enterprise Financial Services arisen on pre-buy assets. The monthly rent amounts TDKK 2,799 and the agreement MCLDNKVPC001 is valid for 60 months commenced June, 1<sup>st</sup> 2018. As at March 31, 2019 was charged with TDKK 27,995 rent payments.

## 7 Contingent liabilities

There are no contingent liabilities.

## 8 Related parties and ownership

Enterprise Services Denmark ApS is a fully owned subsidiary of ES Hague BV, Netherlands.

**Enterprise Services Denmark ApS**  
**Notes (continued)**

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Ultimate parent is DXC Technology Company, USA and consolidated financial statement can be obtained at [www://dxc.technology/investor\\_relations](http://www://dxc.technology/investor_relations).

There is no transactions that are not per arm's length principle.