



Grant Thornton

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# Devoteam Management Consulting A/S

Lyngbyvej 2, st., 2100 København Ø

Company reg. no. 78 06 82 13

## Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 7 May 2019.

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Stanislas Marie Jacques de Bentzmann  
Chairman of the meeting

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**Notes:**

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's report

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The board of directors and the managing director have today presented the annual report of Devoteam Management Consulting A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

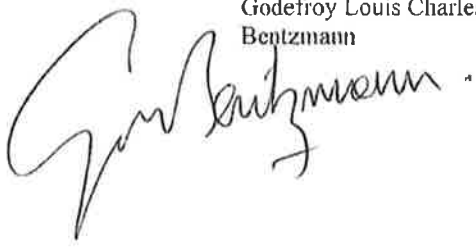
Copenhagen, 7 May 2019

### **Managing Director**

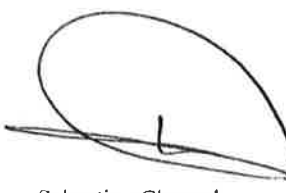


Søren Barsøe Nielsen

### **Board of directors**



Godefroy Louis Charles de  
Bentzmann



Sebastien Chevrel



Stanislas Marie Jacques de  
Bentzmann

## **Independent auditor's report**

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### **To the shareholder of Devoteam Management Consulting A/S**

#### **Opinion**

We have audited the annual accounts of Devoteam Management Consulting A/S for the financial year 1 January to 31 December 2018, which comprise profit and loss account, balance sheet, statement of changes in equity, cash flow statement, notes and accounting policies used. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

## **Independent auditor's report**

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In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 7 May 2019

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36



Michael Beuchert  
State Authorised Public Accountant  
mne32794

*Handwritten initials or mark*

## **Company data**

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### **The company**

Devoteam Management Consulting A/S  
Lyngbyvej 2, st.  
2100 København Ø

Phone 20450700  
Web site [www.devoteam.dk](http://www.devoteam.dk)

Company reg. no. 78 06 82 13  
Established: 4 November 1985  
Domicile: Copenhagen  
Financial year: 1 January - 31 December

### **Board of directors**

Godefroy Louis Charles de Bentzmann  
Sebastien Chevrel  
Stanislas Marie Jacques de Bentzmann

### **Managing Director**

Søren Barsøe Nielsen

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

**Financial highlights**

DKK in thousands.	2018	2017	2016	2015	2014
<b>Profit and loss account:</b>					
Net turnover	186.366	152.280	181.683	143.020	128.199
Gross profit	122.536	106.055	108.619	89.269	95.401
Results from operating activities	22.860	21.494	19.241	6.594	4.054
Net financials	-157	-83	-212	138	-77
Results for the year	17.762	16.659	14.780	5.073	2.894
<b>Balance sheet:</b>					
Balance sheet sum	70.740	58.281	72.296	55.741	50.119
Investments in tangible fixed assets represent	1.770	503	905	1.412	952
Equity	19.306	17.344	22.771	13.064	10.884
<b>Cash flow:</b>					
Operating activities	21.543	25.620	4.198	1.410	11.573
Investment activities	-2.148	-1.584	-1.257	-1.391	-953
Financing activities	-15.800	-21.831	-5.104	-3.850	-6.206
Cash flow in total	3.595	2.194	-2.163	-3.831	4.414
<b>Employees:</b>					
Average number of full time employees	112	94	95	97	88
<b>Key figures in %:</b>					
Profit margin	12,3	14,1	10,6	4,6	3,2
Return on equity investment	131,8	107,4	107,4	55,1	34,1
Solvency ratio	27,3	29,8	31,5	23,4	21,7
Return on equity	96,9	83,1	82,5	42,4	24,3

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

**Profit margin (EBIT margin)**  $\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Net turnover}}$

**Return on equity investment**  $\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Average invested capital ex. minority interests}}$

**Equity share**  $\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$

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## Financial highlights

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Return on equity

$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

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## **Management's review**

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### **The principal activities of the company**

Devoteam A/S is one of Denmark's leading independent IT management consultants with focus on helping enterprises streamlining processes through improving the IT application, strengthening competitiveness through enhanced customer service, and implementing changes in order to achieve the desired effect. In Denmark, Devoteam A/S has 112 permanently employed people and a large number of sub-suppliers and strategic collaborative partners. Our professional qualifications comprise customer service (call centres and telephony), IT management, infrastructure, IT architecture, IT security and digital administration. Devoteam A/S is included in the Devoteam Group and is consequently among the largest independent consultants in its field with offices in 18 countries and 6.975 employees. Devoteam is listed on the NYSE Euronext compartment B.

### **Development in activities and financial matters**

The net turnover for the year is DKK 186,4m against DKK 152,3m last year. The results from ordinary activities after tax are DKK 17,8m against DKK 16,7m last year. The management consider the results satisfactory.

### **Research and development activities**

The employees represent the Company's key resource, and it is therefore important that the Company is able to recruit and retain highly qualified employees. The Company offers systematic in-house and external training activities to secure the high professional level, and the Company also continuously develops new products and services. The costs for the above activities are expensed as incurred.

### **The expected development**

It is expected that the Company will realise positive results for the financial year 2019.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have a material impact on the financial position of the company.

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**Profit and loss account 1 January - 31 December**

DKK in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Net turnover	186.366	152.280
Raw materials and consumables used	-45.288	-30.264
Other external costs	-18.542	-15.961
<b>Gross results</b>	<b>122.536</b>	<b>106.055</b>
1 Staff costs	-98.670	-83.788
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.006	-773
<b>Operating profit</b>	<b>22.860</b>	<b>21.494</b>
Other financial income	31	0
Other financial costs	-188	-83
<b>Results before tax</b>	<b>22.703</b>	<b>21.411</b>
2 Tax on ordinary results	-4.941	-4.752
<b>3 Results for the year</b>	<b>17.762</b>	<b>16.659</b>

**Balance sheet 31 December**

DKK in thousands.

<b>Assets</b>		<u>2018</u>	<u>2017</u>
Note			
<b>Fixed assets</b>			
4	Acquired rights	30	63
5	Goodwill	210	210
6	Software	651	648
	Intangible fixed assets in total	<u>891</u>	<u>921</u>
7	Land and property	693	766
8	Other plants, operating assets, and fixtures and furniture	1.837	702
	Tangible fixed assets in total	<u>2.530</u>	<u>1.468</u>
9	Deposits	903	810
	Financial fixed assets in total	<u>903</u>	<u>810</u>
	<b>Fixed assets in total</b>	<b><u>4.324</u></b>	<b><u>3.199</u></b>
<b>Current assets</b>			
	Trade debtors	48.030	44.845
10	Work in progress for the account of others	3.871	1.644
	Amounts owed by group enterprises	3.009	447
11	Deferred tax assets	239	553
	Other debtors	10	688
12	Amounts owed by owners and management	1.043	340
13	Accrued income and deferred expenses	643	589
	Debtors in total	<u>56.845</u>	<u>49.106</u>
	Available funds	<u>9.571</u>	<u>5.976</u>
	<b>Current assets in total</b>	<b><u>66.416</u></b>	<b><u>55.082</u></b>
	<b>Assets in total</b>	<b><u>70.740</u></b>	<b><u>58.281</u></b>

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**Balance sheet 31 December**

DKK in thousands.

<b>Equity and liabilities</b>			
<u>Note</u>	<u>2018</u>	<u>2017</u>	
<b>Equity</b>			
14	Contributed capital	501	501
15	Reserve for loans	1.043	1.020
16	Results brought forward	62	23
17	Proposed dividend for the financial year	17.700	15.800
	<b>Equity in total</b>	<b>19.306</b>	<b>17.344</b>
<b>Liabilities</b>			
	Liabilities	0	31
10	Work in progress for the account of others	3.680	1.386
	Trade creditors	6.569	3.558
	Debt to group enterprises	7.428	1.655
	Corporate tax	127	4.749
	Other debts	33.630	29.558
	Short-term liabilities in total	51.434	40.937
	<b>Liabilities in total</b>	<b>51.434</b>	<b>40.937</b>
	<b>Equity and liabilities in total</b>	<b>70.740</b>	<b>58.281</b>

18 Mortgage and securities

19 Contingencies

20 Related parties

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**Statement of changes in equity**

DKK in thousands.

	<u>Contributed capital</u>	<u>Reserve for loans and securities</u>	<u>Results brought forward</u>	<u>Proposed dividend for the financial year</u>	<u>In total</u>
Equity 1 January 2018	501	1.020	23	15.800	17.344
Distributed dividend	0	0	0	-15.800	-15.800
Profit or loss for the year brought forward	0	0	62	17.700	17.762
Movement of the year	0	23	-23	0	0
	<b>501</b>	<b>1.043</b>	<b>62</b>	<b>17.700</b>	<b>19.306</b>

**Cash flow statement 1 January - 31 December**

DKK in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Results for the year	17.762	16.659
21 Adjustments	5.946	6.397
22 Change in working capital	7.067	2.198
<b>Cash flow from operating activities before net financials</b>	<b>30.775</b>	<b>25.254</b>
Cash flow from ordinary activities	30.775	25.254
Corporate tax paid	-9.232	366
<b>Cash flow from operating activities</b>	<b>21.543</b>	<b>25.620</b>
Purchase of intangible fixed assets	-286	-1.097
Purchase of tangible fixed assets	-1.770	-503
Sale of tangible fixed assets	1	0
Purchase of financial fixed assets	-93	16
<b>Cash flow from investment activities</b>	<b>-2.148</b>	<b>-1.584</b>
Repayments of long-term debt	0	-31
Extraordinary dividend paid	0	-7.000
Dividend paid	-15.800	-14.800
<b>Cash flow from financing activities</b>	<b>-15.800</b>	<b>-21.831</b>
<b>Changes in available funds</b>	<b>3.595</b>	<b>2.205</b>
Available funds 1 January 2018	5.976	3.782
Exchange rate adjustments (available funds)	0	-11
<b>Available funds 31 December 2018</b>	<b>9.571</b>	<b>5.976</b>
<b>Available funds</b>		
Available funds	9.571	5.976
<b>Available funds 31 December 2018</b>	<b>9.571</b>	<b>5.976</b>

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**Notes**

DKK in thousands.

	<u>2018</u>	<u>2017</u>
<b>1. Staff costs</b>		
Salaries and wages	95.970	81.637
Pension costs	1.773	1.417
Other costs for social security	927	734
	<u>98.670</u>	<u>83.788</u>
Average number of employees	<u>112</u>	<u>94</u>
Remuneration is not paid to the Board of Directors, and the remuneration to the Executive board is therefore not disclosed.		
<b>2. Tax on ordinary results</b>		
Tax of the results for the year, parent company	4.627	4.855
Adjustment for the year of deferred tax	314	-33
Adjustment of tax for previous years	0	-70
	<u>4.941</u>	<u>4.752</u>
<b>3. Proposed distribution of the results</b>		
Extraordinary dividend adopted during the financial year	0	7.000
Dividend for the financial year	17.700	15.800
Allocated to results brought forward	62	0
Allocated from results brought forward	0	-6.141
	<u>17.762</u>	<u>16.659</u>



**Notes**

DKK in thousands.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>4. Acquired rights</b>		
Cost 1 January 2018	100	985
Disposals concerning company transfer	<u>0</u>	<u>-885</u>
<b>Cost 31 December 2018</b>	<b><u>100</u></b>	<b><u>100</u></b>
Amortisation and writedown 1 January 2018	-37	-647
Adjustment due to change of accounting policies	0	644
Amortisation for the year	<u>-33</u>	<u>-34</u>
<b>Amortisation and writedown 31 December 2018</b>	<b><u>-70</u></b>	<b><u>-37</u></b>
<b>Book value 31 December 2018</b>	<b><u>30</u></b>	<b><u>63</u></b>
<b>5. Goodwill</b>		
Cost 1 January 2018	1.400	0
Additions concerning company transfer	<u>0</u>	<u>1.400</u>
<b>Cost 31 December 2018</b>	<b><u>1.400</u></b>	<b><u>1.400</u></b>
Amortisation and writedown 1 January 2018	-1.190	0
Amortisation/writedown of additions concerning company transfer	<u>0</u>	<u>-1.190</u>
<b>Amortisation and writedown 31 December 2018</b>	<b><u>-1.190</u></b>	<b><u>-1.190</u></b>
<b>Book value 31 December 2018</b>	<b><u>210</u></b>	<b><u>210</u></b>

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**Notes**

DKK in thousands.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>6. Software</b>		
Cost 1 January 2018	1.930	0
Additions concerning company transfer	0	1.885
Additions during the year	<u>286</u>	<u>45</u>
<b>Cost 31 December 2018</b>	<b><u>2.216</u></b>	<b><u>1.930</u></b>
Amortisation and writedown 1 January 2018	-1.282	0
Amortisation/writedown of additions concerning company transfer	0	-1.043
Amortisation for the year	<u>-283</u>	<u>-239</u>
<b>Amortisation and writedown 31 December 2018</b>	<b><u>-1.565</u></b>	<b><u>-1.282</u></b>
<b>Book value 31 December 2018</b>	<b><u>651</u></b>	<b><u>648</u></b>
<b>7. Land and property</b>		
Cost 1 January 2018	1.092	992
Additions during the year	<u>0</u>	<u>100</u>
<b>Cost 31 December 2018</b>	<b><u>1.092</u></b>	<b><u>1.092</u></b>
Depreciation and writedown 1 January 2018	-326	-253
Depreciation for the year	<u>-73</u>	<u>-73</u>
<b>Depreciation and writedown 31 December 2018</b>	<b><u>-399</u></b>	<b><u>-326</u></b>
<b>Book value 31 December 2018</b>	<b><u>693</u></b>	<b><u>766</u></b>

**Notes**

DKK in thousands.

	31/12 2018	31/12 2017
<b>8. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2018	2.901	4.658
Disposals concerning company transfer	0	-2.148
Additions during the year	1.770	403
Disposals during the year	-108	-12
<b>Cost 31 December 2018</b>	<b>4.563</b>	<b>2.901</b>
Depreciation and writedown 1 January 2018	-2.199	-2.989
Translation by use of the exchange rate valid on balance sheet date 31 December 2018	0	1.217
Depreciation for the year	-617	-427
Reversal of depreciation, amortisation and writedown, assets disposed of	90	0
<b>Depreciation and writedown 31 December 2018</b>	<b>-2.726</b>	<b>-2.199</b>
<b>Book value 31 December 2018</b>	<b>1.837</b>	<b>702</b>
<b>9. Deposits</b>		
Cost 1 January 2018	810	826
Additions during the year	93	0
Disposals during the year	0	-16
<b>Cost 31 December 2018</b>	<b>903</b>	<b>810</b>
<b>Book value 31 December 2018</b>	<b>903</b>	<b>810</b>
<b>10. Work in progress for the account of others</b>		
Sales value of the production of the period	4.982	5.617
Payments on account received	-4.791	-5.359
<b>Work in progress for the account of others, net</b>	<b>191</b>	<b>258</b>
The following is recognised:		
Work in progress for the account of others (Current assets)	3.871	1.644
Work in progress for the account of others (Short-term liabilities)	-3.680	-1.386
	<b>191</b>	<b>258</b>

**Notes**

DKK in thousands.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>11. Deferred tax assets</b>		
Deferred tax assets 1 January 2018	553	520
Deferred tax of the results for the year	<u>-314</u>	<u>33</u>
	<u>239</u>	<u>553</u>

**12. Amounts owed by owners and management**

Category	Interest rate	Amounts repaid during the financial year	Debtors in total 31 December 2018
Executive board	2 %	0	1.043

The loan is made in accordance with the Companies Act § 206.

**13. Accrued income and deferred expenses**

Prepayments recognised under assets comprise incurred costs concerning the next financial year, including insurance.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>14. Contributed capital</b>		
Contributed capital 1 January 2018	501	500
Cash capital increase	<u>0</u>	<u>1</u>
	<u>501</u>	<u>501</u>

The share capital consists of 501 shares, each with a nominal value of DKK 1.000. No shares hold particular rights.

**15. Reserve for loans**

Reserve for loans 1 January 2018	1.020	0
Movement in the year	<u>23</u>	<u>1.020</u>
	<u>1.043</u>	<u>1.020</u>

**Notes**

DKK in thousands.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>16. Results brought forward</b>		
Results brought forward 1 January 2018	23	7.471
Profit for the year brought forward	62	-6.141
Adjustment due to merger	-23	-287
Reserve for loans	0	-1.020
	<u>62</u>	<u>23</u>
<b>17. Proposed dividend for the financial year</b>		
Dividend 1 January 2018	15.800	14.800
Distributed dividend	-15.800	-14.800
Dividend for the financial year	<u>17.700</u>	<u>15.800</u>
	<u>17.700</u>	<u>15.800</u>

**18. Mortgage and securities**

Registered secured mortgage debt of TDKK 480 in land and buildings.

**19. Contingencies****Contingent liabilities**

The Company has rent obligations concerning premises in Copenhagen, which can not be terminated until 1st of April 2021. The rent obligation until 1st of April 2021 is TDKK 3.454.

The Company has also rent obligations concerning premises in Århus, which can not be terminated after 6 months. The rent obligation of 6 months is TDKK 441.

**Joint taxation**

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

**Notes**

DKK in thousands.

**19. Contingencies (continued)****20. Related parties****Controlling interest**

Devoteam S.A., Paris, France

**Other related parties**

Devoteam, Levallois-Perret, France

Devoteam Ltd., United Kingdom

Devoteam s.r.o., Czech Republic

Devoteam AB, Sweden

Devoteam NV/SA, Belgium

Devoteam Fringes S.A.U., Spain

Devoteam Outsourcing, France

gPartner, France

Devoteam S.A., Luxembourg

Devoteam Communication SARL, Luxembourg

Devoteam Services SARL, Morocco

Devoteam AS, Norway

Devoteam Technology Consulting A/S, Denmark

**Ownership**

The company is included in the consolidated annual accounts of Company:

Devoteam SA

73. Rue Anatole France

92 300 Levallois-Perret

France

**21. Adjustments**

Depreciation and amortisation	1.006	773
Tax on ordinary results	4.940	4.759
Deferred tax	0	-33
Other adjustments	0	898
	<u>5.946</u>	<u>6.397</u>

**22. Change in working capital**

Change in debtors	-8.052	15.504
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**Notes**

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DKK in thousands.

	<u>2018</u>	<u>2017</u>
Change in trade creditors and other liabilities	<u>15.119</u>	<u>-13.306</u>
	<u>7.067</u>	<u>2.198</u>

## **Accounting policies used**

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The annual report for Devoteam Management Consulting A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.



## **Accounting policies used**

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Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

### **The profit and loss account**

#### **Net turnover**

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Fee income is recognised concurrently with the progress of the production. Thus the net corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

#### **Cost of sales**

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

#### **Other external costs**

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### **Contract work**

Contract work comprises costs for external consultants, incurred in generating revenue for the year.

#### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

#### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

## **Accounting policies used**

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### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

### **The balance sheet**

#### **Intangible fixed assets**

##### **Acquired rights and software**

Acquired rights comprise sign on fees.

Acquired rights and software are measured at cost with deduction of accrued amortisation. Acquired rights are amortised on a straight-line basis over a period of 3 years, and software is amortised on a straight-line basis over a period of 8 years.

##### **Goodwill**

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

##### **Tangible fixed assets**

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life :

*Useful life*

## **Accounting policies used**

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<i>Buildings</i>	<i>40 years</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>5-10 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Work in progress for the account of others**

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When the market value of contract can not be determined reliably, the sales value is measured at the costs incurred or at the net realisable value, if this is lower.

The individual work in progress is recognised in the balance sheet under debtors or liabilities, depending on the net value of the sales price with deduction of prepayments and amounts invoiced on account.

Prepayments from customers are recognised under liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank and in hand.

## **Accounting policies used**

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### **Equity**

#### **Reserve for lending and collateral**

Lending and collateral reserves comprise amounts corresponding to loans or collateral in connection with the establishment of legal self-financing. An amount corresponding to the loan or collateral is reclassified from "Results brought forward" to "Reserve for lending and collateral".

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

#### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Devoteam Management Consulting A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Devoteam Management Consulting A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

## **Accounting policies used**

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### **The cash flow statement**

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

#### **Cash flow from operating activities**

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

#### **Cash flow from investment activities**

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

#### **Cash flow from financing activities**

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

#### **Available funds**

Available funds comprise cash funds.

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