Grant Thornton
Godkendt
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

Devoteam A/S

Kampmannsgade 2, 1604 København V

Company reg. no. 78 06 82 13

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 15 July 2024.

DocuSigned by:
Casper Ryborg
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Casper Ryborg
Chairman of the meeting

Contents

Notes:

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

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Devoteam A/S for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 15 July 2024

Executive board

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Casper Ryborg
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Casper Ryborg
CEO

DocuSigned by:
Soren Nielsen
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Søren Barsøe Nielsen
CEO

Board of directors

DocuSigned by:
Sebastien Chevrel
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Sebastien Chevrel

DocuSigned by:
Céline Mora
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Celine Anne Mora

DocuSigned by:
Thierry FRANCOIS
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Thierry Francois

Independent auditor's report

To the Shareholder of Devoteam A/S

Auditor's report on the Financial Statements

Opinion

We have audited the financial statements of Devoteam A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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.

Independent auditor's report

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.

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.

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.

Independent auditor's report

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, we conclude that Management’s Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management’s Review.

Violation of VAT Legislation

The company has, in violation of the VAT Act, submitted incorrect VAT returns to the tax authorities, which may result in management being held liable.

Copenhagen, 15 July 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

Signed by:
Peter Birk Stokholm
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Peter Birk Stokholm
State Authorised Public Accountant
mne48468

Company information

The company	Devoteam A/S Kampmannsgade 2 1604 København V	
	Web site	www.devoteam.dk
	Company reg. no.	78 06 82 13
	Established:	4 November 1985
	Domicile:	Copenhagen
	Financial year:	1 January 2023 - 31 December 2023
Board of directors	Sebastien Chevrel Céline Anne Mora Thierry Francois	
Executive board	Casper Ryborg, CEO Søren Barsøe Nielsen, CEO	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Devoteam SA	

Financial highlights

DKK in thousands.	2023	2022	2021	2020
Income statement:				
Revenue	269.270	217.457	232.610	213.885
Gross profit	124.572	141.637	141.782	134.981
Profit from operating activities	-4.697	2.793	24.532	26.036
Net financials	-4.449	-1.904	78	-235
Net profit or loss for the year	-7.547	605	19.235	20.157
Statement of financial position:				
Balance sheet total	191.956	130.257	102.316	82.488
Investments in property, plant and equipment	3.317	3.285	1.327	697
Equity	-4.884	2.662	21.057	21.822
Employees:				
Average number of full-time employees	161	169	129	124
Key figures in %:				
Gross margin ratio	46,3	65,1	61,0	63,1
Profit margin (EBIT-margin)	-1,7	1,3	10,5	12,2
Return on equity investment	-	26,5	114,4	122,6
Acid test ratio	94,8	97,2	133,9	158,4
Solvency ratio	-2,5	2,0	20,6	26,5
Return on equity	-	5,1	89,7	94,9

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management´s review

Description of key activities of the company

Devoteam A/S is one of Denmark's leading independent 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 +160 permanently employed people and a large number of sub-suppliers and strategic collaborative partners. Our professional qualifications comprise customer service (Call centers and telephony), IT management, infrastructure, IT architecture, IT security and digital administration. Devoteam A/S is included in the Devoteam Group and consequently the largest independent consultants in its field with offices in 18 countries and 8,000 professionals.

Uncertainties as to recognition or measurement

Recognition and measurement in the financial statements are not considered to be subject to significant uncertaintities.

Development in activities and financial matters

The revenue for the year totals DKK 269,3m against DKK 217,5m last year. Income from ordinary activities after tax totals DKK -7,5m against DKK 0,6m last year.

Management considers the net profit loss for the year unsatisfactory and have been actively working towards restoring profitability thru various strategic and organizational initiatives launched in 2024.

The equity is negative with DKK 2,2m as of 31 December 2023 for which the company is subject to the rules for capital loss outlined in the Companies Act. The management expects that the contributed capital will be reestablished through future earnings or capital contribution from the parent company.

The company has received a letter of comfort from the parent company which supports the company' ordinary activity until 31 December 2024.

Research and development activities

The employees represent the Company's key ressource, 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 realize positive results for the financial year 2024. The expected revenue for 2024 is DKK 235-240m and the income from ordinary activities before taxes in the range of DKK 10-15m.

Events subsequent to the financial year

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

Income statement 1 January - 31 December

DKK thousand.

Note		2023	2022
	Revenue	269.270	217.457
	Other operating income	25.854	21.049
	Direct costs	-115.978	-75.341
	Other external expenses	-54.574	-21.528
	Gross profit	**124.572**	**141.637**
1	Staff costs	-125.676	-135.773
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-3.593	-3.071
	Operating profit	**-4.697**	**2.793**
	Other financial income	163	0
	Writedown relating to financial assets	-1.352	0
2	Other financial expenses	-3.260	-1.904
	Pre-tax net profit or loss	**-9.146**	**889**
3	Tax on ordinary results	1.599	-284
4	**Net profit or loss for the year**	**-7.547**	**605**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2023	2022
	Non-current assets		
5	Goodwill	1.485	2.228
6	Software	79	200
	Total intangible assets	1.564	2.428
7	Land and buildings	465	513
8	Other fixtures, fittings, tools and equipment	3.801	3.461
	Total property, plant, and equipment	4.266	3.974
9	Deposits	10.033	10.330
	Total investments	10.033	10.330
	Total non-current assets	**15.863**	**16.732**
	Current assets		
	Trade receivables	50.932	53.729
10	Work in progress for the account of others	591	5.788
	Receivables from group enterprises	76.771	37.410
11	Deferred tax assets	2.435	1.106
	Income tax receivables	1.012	2.619
	Other debtors	7.497	228
12	Prepayments	13.031	6.833
	Total receivables	152.269	107.713
	Cash and cash equivalents	23.824	5.812
	Total current assets	**176.093**	**113.525**
	Total assets	**191.956**	**130.257**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2023	2022
	Equity		
13	Contributed capital	501	501
	Retained earnings	-5.385	2.161
	Total equity	**-4.884**	**2.662**
	Liabilities other than provisions		
	Other payables	11.004	10.761
	Total long term liabilities other than provisions	11.004	10.761
10	Prepayments received from customers concerning work in progress for the account of others	4.343	1.215
	Trade creditors	31.211	25.303
	Payables to group enterprises	122.409	67.015
	Other debts	21.502	22.653
14	Deferred income	6.371	648
	Total short term liabilities other than provisions	185.836	116.834
	Total liabilities other than provisions	**196.840**	**127.595**
	Total equity and liabilities	**191.956**	**130.257**

15 Contingencies

16 Related parties

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	501	2.162	2.663
Profit or loss for the year brought forward	0	-7.547	-7.547
	501	**-5.385**	**-4.884**

Notes

DKK thousand.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	121.570	131.639
	Pension costs	2.638	2.877
	Other costs for social security	1.468	1.257
		125.676	**135.773**
	Executive board and board of directors	2.570	3.291
	Average number of employees	161	169
2.	**Other financial expenses**		
	Financial costs, group enterprises	2.917	1.787
	Other financial costs	343	117
		3.260	**1.904**
3.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	-270	617
	Adjustment for the year of deferred tax	-1.329	-333
		-1.599	**284**
4.	**Proposed distribution of net profit**		
	Transferred to retained earnings	0	605
	Allocated from retained earnings	-7.547	0
	Total allocations and transfers	**-7.547**	**605**

Notes

DKK thousand.

		31/12 2023	31/12 2022
5.	**Goodwill**		
	Cost 1 January 2023	3.710	3.710
	Cost 31 December 2023	**3.710**	**3.710**
	Amortisation and write-down 1 January 2023	-1.482	-740
	Amortisation for the year	-743	-742
	Amortisation and write-down 31 December 2023	**-2.225**	**-1.482**
	Carrying amount, 31 December 2023	**1.485**	**2.228**
6.	**Software**		
	Cost 1 January 2023	3.087	3.087
	Cost 31 December 2023	**3.087**	**3.087**
	Amortisation and write-down 1 January 2023	-2.887	-2.578
	Amortisation for the year	-121	-309
	Amortisation and write-down 31 December 2023	**-3.008**	**-2.887**
	Carrying amount, 31 December 2023	**79**	**200**
7.	**Land and buildings**		
	Cost 1 January 2023	1.326	1.245
	Cost 31 December 2023	**1.326**	**1.245**
	Depreciation and write-down 1 January 2023	-814	-698
	Depreciation for the year	-47	-34
	Depreciation and write-down 31 December 2023	**-861**	**-732**
	Carrying amount, 31 December 2023	**465**	**513**

Notes

DKK thousand.

		31/12 2023	31/12 2022
8.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January 2023	9.737	6.938
	Additions during the year	3.317	3.285
	Disposals during the year	-2.252	-403
	Cost 31 December 2023	**10.802**	**9.820**
	Depreciation and write-down 1 January 2023	-6.277	-4.720
	Depreciation for the year	-2.680	-1.986
	Depreciation, amortisation and writedown for the year, assets disposed of	1.956	0
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	347
	Depreciation and write-down 31 December 2023	**-7.001**	**-6.359**
	Carrying amount, 31 December 2023	**3.801**	**3.461**
9.	**Deposits**		
	Cost 1 January 2023	10.033	1.096
	Additions during the year	0	9.234
	Cost 31 December 2023	**10.033**	**10.330**
	Book value 31 December 2023	**10.033**	**10.330**
10.	**Work in progress for the account of others**		
	Sales value of the production of the period	566	5.788
	Progress billings	-4.318	-1.215
	Work in progress for the account of others, net	**-3.752**	**4.573**
	The following is recognised:		
	Work in progress for the account of others (Current assets)	591	5.788
	Work in progress for the account of others (Prepayments received)	-4.343	-1.215
		-3.752	**4.573**

Notes

DKK thousand.

	31/12 2023	31/12 2022
11. Deferred tax assets		
Deferred tax assets 1 January 2023	1.106	773
Deferred tax of the results for the year	1.329	333
	2.435	**1.106**

At 31 December 2023, the enterprise has recognised a tax asset totalling t.DKK 2,435. The tax asset is a combination unutilised tax deductions in the form of timing differences of t.DKK 11,068.

Based on the budgets up to and including 2024, management finds it likely that future taxable income will be available where unutilised tax losses and unutilised tax deductions may be utilised, either in own income or in group joint income.

	31/12 2023	31/12 2022
12. Prepayments		
Prepayments	13.031	6.833
	13.031	**6.833**

	31/12 2023	31/12 2022
13. Contributed capital		
Contributed capital 1 January 2023	501	501
	501	**501**

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

	31/12 2023	31/12 2022
14. Deferred income		
Prepayments/deferred income	6.371	648
	6.371	**648**

Prepayments recognised under liabilities is prepayments in relation to the next financial year.

15. Contingencies

Contingent liabilities

The Company has rent obligations concerning premises in Copenhagen and Aarhus. The rent obligation is TDKK 30.591 as of 31. december 2023.

Notes

DKK thousand.

15. Contingencies (continued)

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

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

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

16. Related parties

Transactions

All transactions with related parties are made on an arm’s length basis.

Consolidated annual accounts

The company is included in the consolidated annual accounts of Company:
Devoteam SA
73. Rue Anatole France
92 300 Levllois-Perret
France

Accounting policies

The annual report for Devoteam A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Devoteam S.A.
73, Rue Anatole France, 93 300 Levallois-Perret.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

The profit and loss account

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

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 assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Cryptocurrencies

Acquired intangible assets comprising cryptocurrencies are measured at cost less accumulated amortisations.

Since it is impossible to reliably estimate future impairment of cryptocurrencies and to determine a useful life, residual values are determined as equalling cost and no similarly acquired rights are therefore amortised.

Cryptocurrencies are written down for impairment to a lower recoverable amount. This means that if the price (fair value) drops to below cost, they must be written down for impairment to a lower value in the income statement.

If the price (fair value) subsequently rises, write-down for impairment must be wholly or partly reversed in the income statement.

Gains of losses on sale of cryptocurrencies (the difference between selling price and carrying amount) is recognised in the income statement, normally under other operating income and other operating charges, respectively.

Accounting policies

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Accounting policies

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

As administration company, Devoteam A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Deferred income

Payments received concerning future income are recognised under deferred income.