



Grant Thornton
Statsautoriseret
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 2022

The annual report was submitted and approved by the general meeting on the 12 July 2023.

DocuSigned by:
Marianne Tholin
B756D1082FAE41C...
Marianne Tholin
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Financial highlights	6
Management's review	7
Financial statements 1 January - 31 December 2022	
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12
Accounting policies	17

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 instance DKK 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 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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, 12 July 2023

Executive board

DocuSigned by:

Marianne Tholin

B758D1682FAE416
Marianne Tholin
CEO

DocuSigned by:

Søren Melsen

9E9EB31664504D1
Søren Barse Nielsen
CEO

Board of directors

DocuSigned by:

Sebastien Chevrel

AAAABCC3799D473
Sebastien Chevrel

DocuSigned by:

Céline Mora

C517A0E04B0E16D465
Céline Anne Mora

DocuSigned by:

Thierry FRANCOIS

ED9E60EE215549B
Thierry Francois

Independent auditor's report

To the Shareholder of Devoteam A/S

Opinion

We have audited the financial statements of Devoteam A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, 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.

Copenhagen, 12 July 2023

Grant Thornton

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

DocuSigned by:

Peter Stokholm

P-080D76A8DFE943D
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 2022 - 31 December 2022

Board of directors

Sebastien Chevrel
Céline Anne Mora
Thierry Francois

Executive board

Marianne Tholin, CEO
Søren Barsøe Nielsen, CEO

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Devoteam SA

Financial highlights

DKK in thousands.	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:				
Revenue	217.457	232.610	213.885	210.888
Gross profit	141.637	141.782	134.981	129.980
Profit from operating activities	2.793	24.532	26.036	24.553
Net financials	-1.904	78	-235	-83
Net profit or loss for the year	605	19.235	20.157	19.059
Statement of financial position:				
Balance sheet total	107.204	102.316	82.488	68.330
Investments in property, plant and equipment	3.285	1.327	697	504
Equity	2.662	21.057	21.822	20.665
Employees:				
Average number of full-time employees	169	129	124	119
Key figures in %:				
Gross margin ratio	65,1	61,0	63,1	61,6
Profit margin (EBIT-margin)	1,3	10,5	12,2	11,6
Return on equity investment	26,5	114,4	122,6	122,9
Acid test ratio	96,5	133,9	158,4	135,4
Solvency ratio	2,5	20,6	26,5	30,2
Return on equity	5,1	89,7	94,9	95,4

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

Management's review

The principal 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 +120 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 uncertainties.

Development in activities and financial matters

The revenue for the year totals 217,457 TDKK against 232,611 TDKK last year. Income or loss from ordinary activities after tax totals 605 TDKK against 19,235 TDKK last year.

The development must be seen in light of the fact that, according to the annual report 2021, the company expected revenues for 2022 in the region of the same level as 2021. Management considers the net profit for the year impacted by transformations costs and not 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 realize positive results for the financial year 2023.

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.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue	217.457	232.610
Other operating income	21.049	755
Direct costs	-75.342	-71.365
Other external expenses	-21.527	-20.218
Gross profit	141.637	141.782
1 Staff costs	-135.773	-114.695
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-3.071	-2.555
Operating profit	2.793	24.532
Other financial income	0	273
2 Other financial expenses	-1.904	-195
Pre-tax net profit or loss	889	24.610
3 Tax on ordinary results	-284	-5.375
4 Net profit or loss for the year	605	19.235

Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
5 Goodwill	2.228	2.970
6 Software	200	509
Total intangible assets	<u>2.428</u>	<u>3.479</u>
7 Land and buildings	513	547
8 Other fixtures, fittings, tools and equipment	3.461	2.218
Total property, plant, and equipment	<u>3.974</u>	<u>2.765</u>
9 Deposits	10.330	1.096
Total investments	<u>10.330</u>	<u>1.096</u>
Total non-current assets	<u>16.732</u>	<u>7.340</u>
Current assets		
Trade debtors	53.729	46.785
10 Work in progress for the account of others	5.788	10.943
Receivables from subsidiaries	14.357	30.181
11 Deferred tax assets	1.106	773
Income tax receivables	2.619	3.495
Other debtors	228	48
12 Prepayments	6.833	861
Total receivables	<u>84.660</u>	<u>93.086</u>
Cash and cash equivalents	<u>5.812</u>	<u>1.890</u>
Total current assets	<u>90.472</u>	<u>94.976</u>
Total assets	<u>107.204</u>	<u>102.316</u>

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
13	Contributed capital	501	501
	Results brought forward	2.161	1.556
	Proposed dividend for the financial year	0	19.000
	Total equity	2.662	21.057
Liabilities other than provisions			
	Other payables	10.761	10.314
	Total long term liabilities other than provisions	10.761	10.314
10	Prepayments received from customers concerning work in progress for the account of others	1.215	7.216
10	Work in progress for the account of others	0	1.731
	Trade creditors	25.303	10.615
	Payables to group companies	43.962	21.158
	Other debts	22.653	29.907
14	Deferred income	648	318
	Total short term liabilities other than provisions	93.781	70.945
	Total liabilities other than provisions	104.542	81.259
	Total equity and liabilities	107.204	102.316

15 Contingencies

16 Related parties

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the financial year</u>	<u>Total</u>
Equity 1 January 2022	501	1.556	19.000	21.057
Distributed dividend	0	0	-19.000	-19.000
Profit or loss for the year brought forward	<u>0</u>	<u>605</u>	<u>0</u>	<u>605</u>
	<u>501</u>	<u>2.161</u>	<u>0</u>	<u>2.662</u>

Notes

DKK thousand.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	131.639	111.243
Pension costs	2.877	2.186
Other costs for social security	<u>1.257</u>	<u>1.266</u>
	<u>135.773</u>	<u>114.695</u>
Executive board and board of directors	<u>3.291</u>	<u>3.286</u>
Average number of employees	<u>169</u>	<u>129</u>
2. Other financial expenses		
Financial costs, group enterprises	1.787	0
Other financial costs	<u>117</u>	<u>195</u>
	<u>1.904</u>	<u>195</u>
3. Tax on ordinary results		
Tax of the results for the year, parent company	617	5.723
Adjustment for the year of deferred tax	<u>-333</u>	<u>-348</u>
	<u>284</u>	<u>5.375</u>
4. Proposed distribution of net profit		
Dividend for the financial year	0	19.000
Transferred to retained earnings	<u>605</u>	<u>235</u>
Total allocations and transfers	<u>605</u>	<u>19.235</u>

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
5. Goodwill		
Cost 1 January 2022	3.710	0
Additions during the year	<u>0</u>	<u>3.710</u>
Cost 31 December 2022	<u>3.710</u>	<u>3.710</u>
Amortisation and write-down 1 January 2022	-740	0
Amortisation for the year	<u>-742</u>	<u>-740</u>
Amortisation and write-down 31 December 2022	<u>-1.482</u>	<u>-740</u>
Carrying amount, 31 December 2022	<u>2.228</u>	<u>2.970</u>
6. Software		
Cost 1 January 2022	3.087	2.870
Additions during the year	<u>0</u>	<u>217</u>
Cost 31 December 2022	<u>3.087</u>	<u>3.087</u>
Amortisation and write-down 1 January 2022	-2.578	-2.315
Amortisation for the year	<u>-309</u>	<u>-263</u>
Amortisation and write-down 31 December 2022	<u>-2.887</u>	<u>-2.578</u>
Carrying amount, 31 December 2022	<u>200</u>	<u>509</u>
7. Land and buildings		
Cost 1 January 2022	<u>1.245</u>	<u>1.245</u>
Cost 31 December 2022	<u>1.245</u>	<u>1.245</u>
Depreciation and write-down 1 January 2022	-698	-595
Depreciation for the year	<u>-34</u>	<u>-103</u>
Depreciation and write-down 31 December 2022	<u>-732</u>	<u>-698</u>
Carrying amount, 31 December 2022	<u>513</u>	<u>547</u>

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
8. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	6.938	5.611
Additions during the year	3.285	1.327
Disposals during the year	<u>-403</u>	<u>0</u>
Cost 31 December 2022	<u>9.820</u>	<u>6.938</u>
Depreciation and write-down 1 January 2022	-4.720	-3.563
Depreciation for the year	-1.986	-1.157
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>347</u>	<u>0</u>
Depreciation and write-down 31 December 2022	<u>-6.359</u>	<u>-4.720</u>
Carrying amount, 31 December 2022	<u>3.461</u>	<u>2.218</u>
9. Deposits		
Cost 1 January 2022	1.096	1.096
Additions during the year	<u>9.234</u>	<u>0</u>
Cost 31 December 2022	<u>10.330</u>	<u>1.096</u>
Book value 31 December 2022	<u>10.330</u>	<u>1.096</u>
10. Work in progress for the account of others		
Sales value of the production of the period	5.788	9.212
Progress billings	<u>-1.215</u>	<u>-7.216</u>
Work in progress for the account of others, net	<u>4.573</u>	<u>1.996</u>
The following is recognised:		
Work in progress for the account of others (Current assets)	5.788	10.943
Work in progress for the account of others (Prepayments received)	-1.215	-7.216
Work in progress for the account of others (Short-term liabilities)	<u>0</u>	<u>-1.731</u>
	<u>4.573</u>	<u>1.996</u>

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
11. Deferred tax assets		
Deferred tax assets 1 January 2022	773	425
Deferred tax of the results for the year	<u>333</u>	<u>348</u>
	<u>1.106</u>	<u>773</u>
12. Prepayments		
Prepayments	<u>6.833</u>	<u>861</u>
	<u>6.833</u>	<u>861</u>
13. Contributed capital		
Contributed capital 1 January 2022	<u>501</u>	<u>501</u>
	<u>501</u>	<u>501</u>
<p>The share capital consists of 501 shares, each with a nominal value of DKK 1.000. No shares hold particular rights.</p>		
14. Deferred income		
Prepayments/deferred income	<u>648</u>	<u>318</u>
	<u>648</u>	<u>318</u>

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 31.511 as of 31. december 2022.

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.

Notes

DKK thousand.

15. Contingencies (continued)

Joint taxation (continued)

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

The company has the following related party transactions:

	<u>2022</u>
Sale of services towards subsidiaries	8.592.734
Bought in services from subsidiaries	14.372.961
Administration costs from subsidiaries	10.392.366
Administration sales from sub.	38.610.474

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 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.

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.

Accounting policies

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.

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.

Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales

Costs of sales includes costs for the 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.

Accounting policies

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed 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.

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.

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 5 years.

Accounting policies

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

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.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	40 years
Plant and machinery, fittings, tools and equipment	5-10 years

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.

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.

Accounting policies

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. Writedown 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.

Accrued income and deferred expenses

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

Cash and cash equivalents

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

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

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"

Accounting policies

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.

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.