

**Right Management
Denmark A/S**
Oldenburg Alle 3, 2. tv.
2630 Taastrup
Central Business Registration No
20069295

Annual report 2016

Godkendt på selskabets generalforsamling, den 09.06.2017

Dirigent

Name: Line Sandström

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Entity details

Entity

Right Management Denmark A/S
Oldenburg Alle 3, 2. tv.
2630 Taastrup

Central Business Registration No: 20069295
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Anders Bergqvist
Lars Bertil Forseth

Executive Board

Lars Bertil Forseth, Managing Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Right Management Denmark A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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

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

Copenhagen, 09.06.2017

Executive Board

Lars Bertil Forseth
Managing Director

Board of Directors

Anders Bergqvist

Lars Bertil Forseth

Independent auditor's report

To the shareholder of Right Management Denmark A/S

Opinion

We have audited the financial statements of Right Management Denmark A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 09.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Kim Takata Mücke

statsautoriseret revisor

Management commentary

Primary activities

Right Management Denmark A/S has no activity.

Development in activities and finances

The result of the year is negative. The result for the year is regarded as unsatisfactory.

Unusual circumstances affecting recognition and measurement

There have not been any unusual circumstances in the financial year.

Outlook

A loss is expected in the coming year. The Company's negative equity at t.DKK - 38.476 has no impact on the going concern principle as the US parent company is making the necessary and needed funding available.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Capital position

As the Company has a significant negative equity, ManpowerGroup Inc. is committed to continue to provide the necessary financial support and other support to Right Management Denmark A/S, enabling the Company to continue to operate and meet its obligations. Based on this, the management has concluded that the Company is a going concern.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross loss		(131.909)	(308.394)
Depreciation, amortisation and impairment losses		<u>0</u>	<u>(4.362)</u>
Operating profit/loss		(131.909)	(312.756)
Other financial income		0	1.105
Other financial expenses	2	<u>(340.025)</u>	<u>(359.348)</u>
Profit/loss for the year		<u>(471.934)</u>	<u>(670.999)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(471.934)</u>	<u>(670.999)</u>
		<u>(471.934)</u>	<u>(670.999)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Receivables from group enterprises		3.660.482	3.660.482
Receivables		3.660.482	3.660.482
Cash		791.237	1.007.921
Current assets		4.451.719	4.668.403
Assets		4.451.719	4.668.403

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		1.100.000	1.100.000
Retained earnings		<u>(39.575.698)</u>	<u>(39.103.765)</u>
Equity		<u>(38.475.698)</u>	<u>(38.003.765)</u>
Subordinate loan capital	3	<u>7.126.880</u>	<u>7.126.880</u>
Non-current liabilities other than provisions		<u>7.126.880</u>	<u>7.126.880</u>
Payables to group enterprises		35.695.857	35.374.271
Other payables		<u>104.680</u>	<u>171.017</u>
Current liabilities other than provisions		<u>35.800.537</u>	<u>35.545.288</u>
Liabilities other than provisions		<u>42.927.417</u>	<u>42.672.168</u>
Equity and liabilities		<u>4.451.719</u>	<u>4.668.403</u>
Going concern	1		
Contingent liabilities	4		
Group relations	5		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.100.000	(39.103.765)	(38.003.765)
Profit/loss for the year	<u>0</u>	<u>(471.933)</u>	<u>(471.933)</u>
Equity end of year	<u>1.100.000</u>	<u>(39.575.698)</u>	<u>(38.475.698)</u>

The share capital consists of 1.100 shares, each with a nominal value of DKK 1.000. No shares hold particular rights

Notes

1. Going concern

As the Company has a significant negative equity, ManpowerGroup Inc. is committed to continue to provide the necessary financial support and other support to Right Management Denmark A/S, enabling the Company to continue to operate and meet its obligations. Based on this, the management has concluded that the Company is a going concern.

	2016	2015
	DKK	DKK
2. Other financial expenses		
Financial expenses from group enterprises	190.918	196.526
Interest expenses	149.107	162.822
	340.025	359.348

3. Subordinate loan capital

Debt to Right Management, Inc. is interest free and payable on demand.

4. Contingent liabilities

The Company is part of a joint taxation with Manpower Europe Holding ApS as administration company. From the 1st of July 2012 the Company has been jointly liable with entities within the tax consolidation for withholding tax, interest, royalties and dividend for the jointly taxed companies. From the 1st of January 2013 the joint liability also includes the income taxes.

The Company is part of a joint VAT registration.

5. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Manpower Inc., 100 Manpower Place, Milwaukee, Wisconsin, 53212, USA

6. Tax on ordinary results

Management has decided not recognize the deferred tax asset in the balance sheet. Management estimates that it is uncertain whether the Company within the next 2-3 years will generate a positive taxable income where the deferred tax can be utilized.

Accounting policies

Reporting class

The financial statements for Right Management Denmark A/S is presented in accordance with the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year. The financial statements are presented in Danish kroner.

Recognition and measurement

Income is recognised in the profit and loss account when earned. Likewise, all costs are recognised by the amounts attributable to the financial year.

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.

On initial recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

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

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.

Income statement

Gross profit or loss

With reference to the Danish Financial Statements Act section 32, the Company has chosen to aggregate the net turnover, other operating income, and external costs into one line in the income statement, Gross profit.

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.

Other external expenses

Other external costs comprise costs for sales, marketing and administration.

Accounting policies

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses comprise depreciation on, amortisation of and impairment losses relating to tangible fixed assets.

Other financial income

Other financial income comprises interest income. Other financial income is recognised in the profit and loss account with the amount concerning the financial year.

Other financial expenses

Other financial expenses comprises interest expenses. Other financial income is recognised in the profit and loss account with the amount concerning the financial year.

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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