



Experis A/S

Oldenburg Alle 3, 1.
2630 Taastrup
CVR No. 26183162

Annual report 2020

The Annual General Meeting adopted the
annual report on 28.04.2021

Niels Vahman Bang

Chairman of the General Meeting

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Entity details

Entity

Experis A/S

Oldenburg Alle 3, 1.

2630 Taastrup

CVR No.: 26183162

Registered office: Høje Taastrup

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Donald Olvis Mondano, Chairman

Tina Herrmann

Niels Vahman Bang

Søren Boserup

Federico La Manna

Executive Board

Tina Herrmann, Managing Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Experis A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 28.04.2021

Executive Board

Tina Herrmann
Managing Director

Board of Directors

Donald Olvis Mondano
Chairman

Tina Herrmann

Niels Vahman Bang

Søren Boserup

Federico La Manna

Independent auditor's report

To the shareholder of Experis A/S

Opinion

We have audited the financial statements of Experis A/S for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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:

- 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.

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, 28.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kim Takata Mücke

State Authorised Public Accountant
Identification No (MNE) mne10944

Management commentary

Financial highlights

	2020 EUR'000	2019 EUR'000	2018 EUR'000	2017 EUR'000	2016 EUR'000
Key figures					
Revenue	70,691	12,289	15,508	14,350	16,741
Gross profit/loss	2,684	1,529	925	2,266	3,763
Operating profit/loss	(665)	(70)	(1,403)	72	(42)
Net financials	(2,119)	(11,704)	(1)	(8)	(2)
Profit/loss for the year	(2,762)	36,982	(1,404)	64	(321)
Total assets	2,073,630	1,976,961	4,617	5,400	5,205
Investments in property, plant and equipment	12	0	0	8	41
Equity	1,515,027	1,972,241	(454)	953	890
Average number of employees	14	7	8	19	23
Ratios					
Gross margin (%)	3.80	12.44	5.96	15.79	22.48
EBIT margin (%)	(0.94)	(0.57)	(9.05)	0.50	(0.25)
Net margin (%)	(3.91)	300.94	(9.05)	0.45	(1.92)

Experis A/S merged with Manpower Europe Holdings ApS with accounting and tax effect from 1 January 2020. Comparative figures for 2016-2019 have not been updated to include financial figures for Manpower Europe Holdings ApS for those years.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

Primary activities

Experis A/S is a temporary employee agency who provides temporary workers, consultants and manages the temporary workers in other entities by contract.

Our vision is to be known as the best provider of solutions within our field. This vision will be supported by our strategy to deliver better services and offer competitive prices and improved provision of consultants and permanent staff.

In addition, the Company acts as holding company for a number of the European countries within the Manpower Group.

Description of material changes in activities and finances

In 2020, Experis A/S completed a merger with Manpower Europe Holdings ApS with Experis A/S as the continuing entity. The merger was completed and took legal effect on 23 December 2020. For Danish accounting purposes, the merger was effective retroactively from 1 January 2020 and was tax-free from a Danish tax perspective.

Profit/loss for the year in relation to expected developments

The profit/loss for the year is lower than expected for the combined entities (referring to the merger) due to COVID-19. However, the result was improved after the revised forecast upon the initial impact of COVID-19 and the final result is within the expected revised forecast.

Uncertainty relating to recognition and measurement

Management believes that the income statement for the year gives a fair presentation of the Company's financial performance and that no uncertainty exists which has impacted the basis for the development and performance.

Outlook

Expectations for 2021 are to increase revenue by 1 % compared to 2020 and secure a profitable operating positive result of approximately EUR 150k in 2021 (2020: EUR -665k) as COVID-19 is expected to remain under control in our region.

Environmental performance

At Experis A/S we are part of making the world greener, as we are trying to create a better environment for now and for the future generations. We have decreased our business trips both locally and internationally by a lot and plan to continue with this approach as it has proven to be possible while maintaining our usual business operations while not flying and driving to meetings.

Events after the balance sheet date

On 29 March 2021, the board of Experis A/S held an extraordinary general meeting to propose and approve the reduction of the Experis A/S's share capital by nominally DKK 21,159,000 from nominally DKK 475,088,000 to nominally DKK 453,929,000 through the cancellation of 21,159 Company shares of nominally DKK 1,000 each. As a result of the capital reduction, an aggregate distribution of EUR 124,751,020 will be paid to Experis A/S's sole shareholder ManpowerGroup Inc. On 30 March 2021, the resolution to reduce the share capital was published through the Danish Business Authority's IT-system with a request for any Experis A/S creditors to file their claims against Experis A/S within a time-limit of four weeks, pursuant to section 192(1) of the Danish Companies Act. In accordance with section 193(2) of the Danish Companies Act, the reduction in the share capital is considered final four weeks after the expiration of the creditor's time-limit for the filing of claims. The four week period expired on 27 April 2021, without any claims being raised against Experis A/S, and Experis A/S will legally complete the capital reduction and aggregate distribution of EUR 124,751,020 to ManpowerGroup Inc. on 29 April 2021.

Income statement for 2020

	Notes	2020 EUR'000	2019 EUR '000
Revenue		70,691	12,289
Production costs		(68,007)	(10,760)
Gross profit/loss		2,684	1,529
Administrative expenses		(3,349)	(1,599)
Operating profit/loss		(665)	(70)
Income from investments in group enterprises		0	86,836
Impairment loss on financial assets		0	(38,080)
Other financial income		2,024	117
Other financial expenses		(4,143)	(11,821)
Profit/loss before tax		(2,784)	36,982
Tax on profit/loss for the year		22	0
Profit/loss for the year	3	(2,762)	36,982

Balance sheet at 31.12.2020

Assets

	Notes	2020 EUR'000	2019 EUR'000
Other fixtures and fittings, tools and equipment		11	0
Property, plant and equipment	4	11	0
Investments in group enterprises		2,043,245	1,973,245
Financial assets	5	2,043,245	1,973,245
Fixed assets		2,043,256	1,973,245
Trade receivables		20,783	3,359
Receivables from group enterprises		1,088	68
Other receivables		8,251	6
Prepayments	6	252	283
Receivables		30,374	3,716
Current assets		30,374	3,716
Assets		2,073,630	1,976,961

Equity and liabilities

	Notes	2020 EUR'000	2019 EUR'000
Contributed capital		63,682	63,682
Share premium		1,949,094	1,949,094
Retained earnings		(542,998)	(40,535)
Proposed dividend		45,249	0
Equity		1,515,027	1,972,241
Bank loans		296,359	351
Trade payables		27,115	2,990
Payables to group enterprises		231,176	62
Other payables		3,953	1,317
Current liabilities other than provisions		558,603	4,720
Liabilities other than provisions		558,603	4,720
Equity and liabilities		2,073,630	1,976,961

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Statement of changes in equity for 2020

	Contributed capital EUR'000	Share premium EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000	Total EUR'000
Equity beginning of year	63,682	1,949,094	(40,535)	0	1,972,241
Effect of mergers and business combinations	0	0	(454,452)	0	(454,452)
Profit/loss for the year	0	0	(48,011)	45,249	(2,762)
Equity end of year	63,682	1,949,094	(542,998)	45,249	1,515,027

Effect of mergers and business combinations

On 24 November 2020, the board of Experis A/S held a board meeting to adopt the merger plan regarding the merger of Manpower Europe Holdings ApS and Experis A/S, with Experis A/S as the continuing entity. The merger was completed and took legal effect on 23 December 2020. For Danish accounting purposes, the merger was effective retroactively from 1 January 2020 and was tax-free from a Danish tax perspective. Prior to the merger, Manpower Europe Holdings ApS owned 62.26% of the share capital of Experis A/S and ManpowerGroup Inc. owned the remaining 37.74%. The merger was accounted for according to the "book value method", which resulted in a EUR 454,452,000 reduction in book value Experis A/S' net assets on 1 January 2020 because of the elimination of Manpower Europe Holding ApS' shareholding in Experis A/S.

Notes

1 Events after the balance sheet date

On 29 March 2021, the board of Experis A/S held an extraordinary general meeting to propose and approve the reduction of the Experis A/S's share capital by nominally DKK 21,159,000 from nominally DKK 475,088,000 to nominally DKK 453,929,000 through the cancellation of 21,159 Company shares of nominally DKK 1,000 each. As a result of the capital reduction, an aggregate distribution of EUR 124,751,020 will be paid to Experis A/S's sole shareholder ManpowerGroup Inc. On 30 March 2021, the resolution to reduce the share capital was published through the Danish Business Authority's IT-system with a request for any Experis A/S creditors to file their claims against Experis A/S within a time-limit of four weeks, pursuant to section 192(1) of the Danish Companies Act. In accordance with section 193(2) of the Danish Companies Act, the reduction in the share capital is considered final four weeks after the expiration of the creditor's time-limit for the filing of claims. The four week period expired on 27 April 2021, without any claims being raised against Experis A/S, and Experis A/S will legally complete the capital reduction and aggregate distribution of EUR 124,751,020 to ManpowerGroup Inc. on 29 April 2021.

2 Staff costs

	2020 EUR'000	2019 EUR'000
Wages and salaries	1,722	725
Pension costs	128	59
Other social security costs	74	49
	1,924	833
Average number of full-time employees	14	7

Remuneration to the executive management and the Board of Directors

The total remuneration excluding pension of the executive management and Board of Directors is amounting to EUR 285 k for the year, and pension is amounting to EUR 13 k.

It is noted that not all of the Board members are paid directly for their position as Board members in Experis A/S, but are paid as part of their position that they are employed to carry out within the ManpowerGroup. Therefore, these these Board members' remuneration have been excluded from the amount stated.

3 Proposed distribution of profit and loss

	2020 EUR'000	2019 EUR'000
Ordinary dividend for the financial year	45,249	0
Retained earnings	(48,011)	36,982
	(2,762)	36,982

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR'000
Additions	12
Cost end of year	12
Depreciation for the year	(1)
Depreciation and impairment losses end of year	(1)
Carrying amount end of year	11

5 Financial assets

	Investments in group enterprises EUR'000
Cost beginning of year	1,973,245
Additions	70,000
Cost end of year	2,043,245
Carrying amount end of year	2,043,245

Since the underlying equity values of the subsidiaries are lower than the cost of the investments, the Company has performed an impairment test of the investments. The impairment test concludes that the recoverable amounts of the investments exceeds the cost of the individual investments and hence no investments are concluded to be impaired.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity EUR'000	Profit/loss EUR'000
Manpower France Holding SAS	France	SAS	100	392,858	223,184
Manpower Italia S.R.L.	Italy	S.R.L.	99	163,088	44,086
ManpowerGroup Netherlands B.V.	Netherlands	B.V.	100	(1,569)	(9,026)
ManpowerGroup AS	Norway	AS	100	33,208	74
ManpowerGroup AB	Sweden	AB	100	42,577	116
ManpowerGroup Deutschland Verwaltungs GmbH	Germany	GmbH	100	7,332	(149,303)

6 Prepayments

The prepayments relates to various prepaid expenses, such as insurance and other cost.

7 Contingent assets

Experis A/S has a non-recognised deferred tax asset of EUR 29.8m relating to tax loss carryforwards.

8 Contingent liabilities

Experis A/S has a termination notice period relating to the leasehold agreements that they hold on their office location amounting to a minimum commitment of EUR 24k.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
ManpowerGroup Inc., Milwaukee, Wisconsin, USA.

The consolidated financial statements of ManpowerGroup Inc. can be obtained from
<https://investor.manpowergroup.com/financial-information/annual-reports>

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

The Entity has changed its accounting policies with regard to the staff costs disclosure.

The entity have performed a change in their accounting policies regarding the presentation of the staff costs. In prior years the staff costs were including staff costs to temporary workers and other third party temporary workers hired by entity to perform consultancy and temporary work. With effect from 2020, the Company has concluded that only cost to selling and administrative staff are to be considered as staff costs, and hence the number of average employees also only include selling and administrative staff.

The comparative figures have been restated following the change in accounting policies.

Apart from the change, the financial statements have been presented applying the accounting policies consistent with last year.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Merger Accounting

During 2020, the Company merged with Manpower Europe Holdings ApS with the Company as the continuing entity. The merger has been accounted for according to the book value method, whereby the net asset value of Manpower Europe Holdings has been added to equity of the Company at 1 January 2020, and income and expense items of Manpower Europe Holdings ApS have been reflected in the income statement of the Company from 1 January 2020. Comparative figures have not been adjusted and hence the comparative figures for 2019 do not include any prior year activity of Manpower Europe Holdings ApS.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement concurrently with delivery of services to the Company's clients. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed

Production costs

Production costs comprise costs to consultants and temporary workers held to achieve revenue for the financial year.

Administrative expenses

Administrative costs comprise expenses incurred for management and administration of the Company, including expenses for the selling and administrative staff and corporate costs. Administrative costs furthermore includes the distribution costs.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

Impairment loss on financial assets

Comprises impairment loss during the year on investments in subsidiaries.

Other financial income

Other financial income comprises interest income, including interest from group enterprises, and exchange gains.

Other financial expenses

Other financial expenses comprise interest expenses, including interest paid to group enterprises, and exchange losses.

Tax on profit/loss for the year

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

Balance sheet

Property, plant and equipment

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

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line

depreciation is made over 3 years on basis of the estimated useful lives of the assets.

Gains and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains or losses are recognised in the income statement as adjustment to depreciation and impairment losses, or under other operating income if selling price exceeds original cost.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

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

Cash flow statement

In accordance with article 86 (4) of the Danish Financial Statements Act, no cash flow statement is included in the annual report, and in stead reference is made to the cash flow statement included in the Annual Report of ManpowerGroup Inc.