

**MB it-Consulting A/S**  
**Central Business Registration No**  
**27230199**  
**Adelgade 61**  
**8660 Skanderborg**

**Annual report 2015**

The Annual General Meeting adopted the annual report on

**Chairman of the General Meeting**



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Name: Henrik Puggaard

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## **Entity details**

### **Entity**

MB it-Consulting A/S  
Adelgade 61  
8660 Skanderborg

Central Business Registration No: 27230199

Registered in: Skanderborg

Financial year: 01.01.2015 - 31.12.2015

### **Board of Directors**

Henrik Puggaard, chairman

Morten Bjerregaard

Flemming Pedersen

### **Executive Board**

Morten Bjerregaard

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus 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 MB it-Consulting A/S for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

Skanderborg, 12.04.2016

### Executive Board



Morten Bjerregaard

### Board of Directors



Henrik Puggaard  
chairman



Morten Bjerregaard



Flemming Pedersen

## **Independent auditor's reports**

### **To the owners of MB it-Consulting A/S**

#### **Report on the financial statements**

We have audited the financial statements of MB it-Consulting A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

## Independent auditor's reports

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Aarhus, 12.04.2016

### Deloitte

Statsautoriseret Revisionspartnerselskab

  
Klaus Tvede-Jensen  
State Authorised Public Accountant

CVR-nr. 33963556

## **Management commentary**

### **Primary activities**

MB it-Consulting A/S is a leading Danish consulting firm in the area of HCM process consultancy and implementations in SAP HCM/SuccessFactors.

With a sole focus on HCM, MB it-Consulting strives to be among the best and most trustworthy partners for our customers. The customer list primarily includes the largest Danish corporations, and MB it-Consulting has by its unique global experience conducted several global rollouts of global HCM processes for these companies. The foundation for this is secured by a global design principle as a guiding principle for implementations always starting with a global template.

By utilizing offices in China, MB it-Consulting has established an efficient offshoring model as well as conducted several SAP HCM projects in China.

### **Development in activities and finances**

Net income showed a shortfall of DKK 3,547 thousand, which is considered unsatisfactory. Equity amounts to DKK 533 thousand at 31.12.2015.

### **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.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

### Fundamental errors in previous years

The Company recognises its investments in MB IT Consulting China at equity value. In prior years, the recognition of equity value has been incorrect, and in accordance with Section 54 of the Danish Financial Statements Act, we have therefore adjusted the comparative figures in this year's annual report to the correct values.

This error also occurred in previous financial years and has therefore been adjusted in the present annual report as a fundamental error and adjusted in the comparative figures and in equity at the beginning of the year.

The monetary effect of the adjustment is recognised directly in equity at 01.01.2015, and the comparative figures for the financial year for 2014 have been restated. Thus, the adjustment of the fundamental error has no impact on the income statement for the financial year 2015.

Due to the fundamental error, the comparative figures have been restated. The adjustment of results has a negative impact on loss for the year of DKK 133k and has no impact on the calculated tax. The Company's total assets are adjusted negatively by DKK 537k, and equity is adjusted negatively by DKK 537k.

### 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.



## **Accounting policies**

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as equipment.

#### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

#### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Income taxes

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.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights etc comprise development projects in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries that costs that are directly and indirectly attributable to the development projects.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Completed development projects	5 years
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Development projects are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

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

## Accounting policies

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. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools, equipment and leasehold improvements	5 years
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Plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

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

### Receivables

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

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

## **Accounting policies**

### **Prepayments**

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

### **Cash**

Cash comprises bank deposits.

### **Other financial liabilities**

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

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

## Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		22.083.002	24.619.725
Other external expenses		<u>(8.928.319)</u>	<u>(7.772.160)</u>
<b>Gross profit/loss</b>		<b>13.154.683</b>	<b>16.847.565</b>
Staff costs		(13.414.697)	(13.155.315)
Depreciation, amortisation and impairment losses		<u>(1.656.729)</u>	<u>(5.769)</u>
<b>Operating profit/loss</b>		<b>(1.916.743)</b>	<b>3.686.481</b>
Income from investments in group enterprises		(394.046)	(72.911)
Other financial income		111.662	115.805
Other financial expenses		<u>(1.883.760)</u>	<u>(54.070)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>(4.082.887)</b>	<b>3.675.305</b>
Tax on profit/loss from ordinary activities	1	<u>536.261</u>	<u>(986.204)</u>
<b>Profit/loss for the year</b>		<b><u>(3.546.626)</u></b>	<b><u>2.689.101</u></b>
<b>Proposed distribution of profit/loss</b>			
Dividend for the financial year		0	1.500.000
Retained earnings		<u>(3.546.626)</u>	<u>1.189.101</u>
		<b>(3.546.626)</b>	<b>2.689.101</b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Completed development projects		0	0
Development projects in progress		0	1.629.500
<b>Intangible assets</b>	2	<u>0</u>	<u>1.629.500</u>
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		103.137	130.366
<b>Property, plant and equipment</b>	3	<u>103.137</u>	<u>130.366</u>
Investments in group enterprises		0	369.446
Other receivables		116.250	247.328
<b>Fixed asset investments</b>	4	<u>116.250</u>	<u>616.774</u>
<b>Fixed assets</b>		<u>219.387</u>	<u>2.376.640</u>
Trade receivables		4.410.640	5.748.852
Receivables from group enterprises		1.192.321	2.867.266
Deferred tax assets	5	39.000	0
Other short-term receivables		525	0
Prepayments		10.779	93.533
<b>Receivables</b>		<u>5.653.265</u>	<u>8.709.651</u>
<b>Cash</b>		<u>35.902</u>	<u>187.170</u>
<b>Current assets</b>		<u>5.689.167</u>	<u>8.896.821</u>
<b>Assets</b>		<u>5.908.554</u>	<u>11.273.461</u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	6	695.000	695.000
Retained earnings		<u>(162.401)</u>	<u>4.859.625</u>
<b>Equity</b>		<u><b>532.599</b></u>	<u><b>5.554.625</b></u>
Provisions for deferred tax	5	<u>0</u>	<u>410.000</u>
<b>Provisions</b>		<u><b>0</b></u>	<u><b>410.000</b></u>
Other credit institutions		2.575.931	25.770
Debt to associates		111.613	0
Income tax payable		0	323.426
Other payables		<u>2.688.411</u>	<u>4.959.640</u>
<b>Current liabilities other than provisions</b>		<u><b>5.375.955</b></u>	<u><b>5.308.836</b></u>
<b>Liabilities other than provisions</b>		<u><b>5.375.955</b></u>	<u><b>5.308.836</b></u>
<b>Equity and liabilities</b>		<u><u><b>5.908.554</b></u></u>	<u><u><b>11.273.461</b></u></u>
Contingent liabilities	7		
Ownership	8		

## Statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	695.000	15.292	5.380.976	6.091.268
Increase (decrease) of equity through corrections of errors	0	(15.292)	(521.351)	(536.643)
Ordinary dividend paid	0	0	(1.500.000)	(1.500.000)
Exchange rate adjustments	0	0	24.600	24.600
Profit/loss for the year	0	0	(3.546.626)	(3.546.626)
<b>Equity end of year</b>	<b>695.000</b>	<b>0</b>	<b>(162.401)</b>	<b>532.599</b>



## Notes

	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Tax on ordinary profit/loss for the year</b>		
Current tax	0	412.778
Change in deferred tax for the year	(449.000)	573.426
Adjustment relating to previous years	(87.261)	0
	<b>(536.261)</b>	<b>986.204</b>
	<b>Completed</b>	<b>Development</b>
	<b>development</b>	<b>projects in</b>
	<b>projects</b>	<b>progress</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Intangible assets</b>		
Cost beginning of year	0	1.629.500
Transfer to and from other items	1.629.500	(1.629.500)
<b>Cost end of year</b>	<b>1.629.500</b>	<b>0</b>
Impairment losses for the year	(1.629.500)	0
<b>Amortisation and impairment losses end of year</b>	<b>(1.629.500)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>0</b>
	<b>Other fix-</b>	<b>Leasehold</b>
	<b>tures and</b>	<b>improve-</b>
	<b>fittings, tools</b>	<b>ments</b>
	<b>and</b>	<b>DKK</b>
	<b>equipment</b>	
	<b>DKK</b>	
<b>3. Property, plant and equipment</b>		
Cost beginning of year	74.292	415.835
Disposals	(74.292)	0
<b>Cost end of year</b>	<b>0</b>	<b>415.835</b>
Depreciation and impairment losses beginning of the year	(74.292)	(285.469)
Depreciation for the year	0	(27.229)
Reversal regarding disposals	74.292	0
<b>Depreciation and impairment losses end of the year</b>	<b>0</b>	<b>(312.698)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>103.137</b>

## Notes

	<b>Investments in group enterprises DKK</b>	<b>Other recei- vables DKK</b>
<b>4. Fixed asset investments</b>		
Cost beginning of year	890.797	247.328
Disposals	0	(131.078)
<b>Cost end of year</b>	<b>890.797</b>	<b>116.250</b>
Revaluations beginning of year	15.292	0
Exchange rate adjustments	24.600	0
Share of profit/loss after tax	(182.694)	0
Revaluations	(211.352)	0
Other adjustments	(536.643)	0
<b>Revaluations end of year</b>	<b>(890.797)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>116.250</b>

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity interest %</b>
Subsidiaries:			
MB it-Consulting China	China	A/S	100,00

	<b>2015 DKK</b>	<b>2014 DKK</b>
<b>5. Deferred tax</b>		
Fixed asset investments	39.000	(410.000)
	<b>39.000</b>	<b>(410.000)</b>

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>6. Contributed capital</b>			
Ordinary shares	695	1.000,00	695.000
	<b>695</b>		<b>695.000</b>

## Notes

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
<b>Changes in contributed capital</b>					
Contributed capital beginning of year	695.000	695.000	695.000	695.000	625.000
Increase of capital	0	0	0	0	70.000
<b>Contributed capital end of year</b>	<b>695.000</b>	<b>695.000</b>	<b>695.000</b>	<b>695.000</b>	<b>695.000</b>

### 7. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which M. Bjerregaard Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 8. Ownership

The Company has registered the following shareholders as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

M. Bjerregaard Holding ApS, Skanderborg

Medarbejderselskabet MBIT ApS, Skanderborg