

# **mpeople A/S**

Niels Bohrs Vej 31 1., 8660 Skanderborg

CVR no. 36 68 26 47

## Annual report 2021/22

Approved at the Company's annual general meeting on 25 October 2022

Chair of the meeting:

.....  
Eske Mathias Ulsted Sørensen

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of mpeople A/S for the financial year 1 July 2021 - 30 June 2022.

The annual report is prepared in accordance with 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 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022.

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

We recommend that the annual report be approved at the annual general meeting.

Skanderborg, 25 October 2022  
Executive Board:

.....  
Tommy Both Juul

Board of Directors:

.....  
Søren Bunk Jensen  
Chair

.....  
Rune Petter Domsten

.....  
Søren Henning Rudfred

.....  
Lars Blauenfeldt

## Independent auditor's report

To the shareholders of mpeople A/S

### Opinion

We have audited the financial statements of mpeople A/S for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### 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 as to 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 the 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 25 October 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Peter U. Faurshou  
State Authorised Public Accountant  
mne34502

Tobias Oppermann  
State Authorised Public Accountant  
mne46362

## Management's review

### Company details

Name	mpeople A/S
Address, Postal code, City	Niels Bohrs Vej 31 1., 8660 Skanderborg
CVR no.	36 68 26 47
Established	16 March 2015
Registered office	Skanderborg
Financial year	1 July 2021 - 30 June 2022
Board of Directors	Søren Bunk Jensen, Chair Rune Petter Domsten Søren Henning Rudfred Lars Blauenfeldt
Executive Board	Tommy Both Juul
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

### Management commentary

#### Business review

The company's purpose is to carry out advisory, it-consultancy and other related activities.

#### Financial review

The income statement for 2021/22 shows a profit of DKK 3,469,659 against a profit of DKK 4,095,074 last year, and the balance sheet at 30 June 2022 shows equity of DKK 10,813,954.

Management considers the results satisfactory.

#### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 July 2021 - 30 June 2022

### Income statement

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	<b>Gross profit</b>	23,498,666	24,842,307
2	Staff costs	-18,508,616	-19,366,192
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-203,472	-94,756
	Other operating expenses	-57,004	0
	<b>Profit before net financials</b>	<u>4,729,574</u>	<u>5,381,359</u>
	Financial income	25,857	326
3	Financial expenses	-265,856	-106,183
	<b>Profit before tax</b>	<u>4,489,575</u>	<u>5,275,502</u>
4	Tax for the year	-1,019,916	-1,180,428
	<b>Profit for the year</b>	<u><u>3,469,659</u></u>	<u><u>4,095,074</u></u>
	<b>Recommended appropriation of profit</b>		
	Proposed dividend recognised under equity	4,000,000	0
	Retained earnings/accumulated loss	-530,341	4,095,074
		<u><u>3,469,659</u></u>	<u><u>4,095,074</u></u>

## Financial statements 1 July 2021 - 30 June 2022

### Balance sheet

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	1,046,928	1,244,596
		<u>1,046,928</u>	<u>1,244,596</u>
	<b>Investments</b>		
	Deposits, investments	159,950	76,350
		<u>159,950</u>	<u>76,350</u>
	<b>Total fixed assets</b>	<u>1,206,878</u>	<u>1,320,946</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	31,701,361	21,362,517
6	Construction contracts	0	1,602,894
	Receivables from group enterprises	422,180	483,540
	Deferred tax assets	29,500	16,800
	Prepayments	107,453	37,792
		<u>32,260,494</u>	<u>23,503,543</u>
	<b>Cash</b>	0	152,282
	<b>Total non-fixed assets</b>	<u>32,260,494</u>	<u>23,655,825</u>
	<b>TOTAL ASSETS</b>	<u>33,467,372</u>	<u>24,976,771</u>



## Financial statements 1 July 2021 - 30 June 2022

### Balance sheet

Note	DKK	<u>2021/22</u>	<u>2020/21</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	1,250,000	1,250,000
	Retained earnings	5,563,954	6,094,295
	Dividend proposed	4,000,000	0
	<b>Total equity</b>	<u>10,813,954</u>	<u>7,344,295</u>
	<b>Liabilities other than provisions</b>		
	<b>Non-current liabilities other than provisions</b>		
	Lease liabilities	377,360	0
	Other payables	986,362	1,170,314
		<u>1,363,722</u>	<u>1,170,314</u>
	<b>Current liabilities other than provisions</b>		
	Bank debt	3,135,102	591,006
	Lease liabilities	630,966	1,131,749
	Prepayments received from customers	2,129,824	0
	Trade payables	8,155,171	6,304,901
	Payables to group enterprises	3,414,104	3,508,682
	Corporation tax payable	1,032,393	1,163,005
	Other payables	2,792,136	3,762,819
		<u>21,289,696</u>	<u>16,462,162</u>
	<b>Total liabilities other than provisions</b>	<u>22,653,418</u>	<u>17,632,476</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>33,467,372</u></u>	<u><u>24,976,771</u></u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral

## Financial statements 1 July 2021 - 30 June 2022

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed</u>	<u>Total</u>
Equity at 1 July 2021	1,250,000	6,094,295	0	7,344,295
Transfer through appropriation of profit	0	-530,341	4,000,000	3,469,659
Equity at 30 June 2022	<u>1,250,000</u>	<u>5,563,954</u>	<u>4,000,000</u>	<u>10,813,954</u>

## Financial statements 1 July 2021 - 30 June 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of mpeople A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

### Income statement

#### Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

#### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

#### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-7 years
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## Financial statements 1 July 2021 - 30 June 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

## Financial statements 1 July 2021 - 30 June 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

#### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

#### Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

## Financial statements 1 July 2021 - 30 June 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

## Financial statements 1 July 2021 - 30 June 2022

### Notes to the financial statements

DKK	<u>2021/22</u>	<u>2020/21</u>
<b>2 Staff costs</b>		
Wages/salaries	16,262,033	16,482,296
Pensions	1,451,065	2,357,615
Other social security costs	247,585	165,421
Other staff costs	547,933	360,860
	<u>18,508,616</u>	<u>19,366,192</u>
Average number of full-time employees	<u>24</u>	<u>23</u>
<b>3 Financial expenses</b>		
Interest expenses, group entities	74,142	9,641
Other financial expenses	191,714	96,542
	<u>265,856</u>	<u>106,183</u>
<b>4 Tax for the year</b>		
Estimated tax charge for the year	1,032,416	1,163,228
Deferred tax adjustments in the year	-12,500	17,200
	<u>1,019,916</u>	<u>1,180,428</u>
<b>5 Property, plant and equipment</b>		
DKK		<u>Fixtures and fittings, other plant and equipment</u>
Cost at 1 July 2021		1,456,820
Disposals		-218,596
Cost at 30 June 2022		<u>1,238,224</u>
Impairment losses and depreciation at 1 July 2021		212,224
Depreciation		203,472
Depreciation and impairment of disposals		-224,400
Impairment losses and depreciation at 30 June 2022		<u>191,296</u>
<b>Carrying amount at 30 June 2022</b>		<u>1,046,928</u>
Property, plant and equipment include finance leases with a carrying amount totalling		<u>1,046,928</u>

## Financial statements 1 July 2021 - 30 June 2022

### Notes to the financial statements

DKK	<u>2021/22</u>	<u>2020/21</u>
<b>6 Construction contracts</b>		
Selling price of work performed	0	1,602,894
	<u>0</u>	<u>1,602,894</u>
recognised as follows:		
Construction contracts (assets)	0	1,602,894
	<u>0</u>	<u>1,602,894</u>

### 7 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, DXP A/S which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 24 January 2022. In the period 1 July 2021 to 23 January 2022 the company was jointly taxed with DIS Group Holding A/S as management company.

#### Other financial obligations

Rent and lease liabilities include a rent obligation totalling t.DKK 818 in interminable rent agreements with remaining contract terms of 3 - 32 months.

### 8 Collateral

The Company has not provided any security or other collateral in assets at 30 June 2022.

The Company has provided suretyship to the bank for other group entities' debt.



# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Tommy Both Juul

### Executive Board

On behalf of: mpeople A/S

Serial number: PID:9208-2002-2-676527298490

IP: 172.225.xxx.xxx

2022-11-08 14:33:10 UTC

NEM ID 

## Rune Petter Domsten

### Board of Directors

On behalf of: mpeople A/S

Serial number: 31398c6c-c609-43d7-a943-abbcbaf21b9e

IP: 152.115.xxx.xxx

2022-11-08 14:40:47 UTC

Mit  

## Søren Henning Rudfred

### Board of Directors

On behalf of: mpeople A/S

Serial number: 24e29a57-b748-42a6-89c3-4c10082b50d3

IP: 87.59.xxx.xxx

2022-11-08 17:37:49 UTC

Mit  

## Eske Mathias Ulsted Sørensen

### Chair

On behalf of: mpeople A/S

Serial number: 914d7877-78b9-4e87-9b1e-1f456e78c51a

IP: 212.98.xxx.xxx

2022-11-09 06:37:03 UTC

Mit  

## Søren Bunk Jensen

### Board of Directors, Chair

On behalf of: mpeople A/S

Serial number: PID:9208-2002-2-987613115119

IP: 212.98.xxx.xxx

2022-11-10 10:10:14 UTC

NEM ID 

## Lars Blauenfeldt

### Board of Directors

On behalf of: mpeople A/S

Serial number: 0410b5c0-43a9-44f5-9696-b27512a018d6

IP: 83.93.xxx.xxx

2022-11-10 15:14:21 UTC

Mit  

## Peter Ulrik Faurschou

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:78371490

IP: 145.62.xxx.xxx

2022-11-10 15:15:58 UTC

NEM ID 

## Tobias Oppermann Jensen

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: PID:9208-2002-2-706313938661

IP: 152.115.xxx.xxx

2022-11-15 13:18:36 UTC

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