

IDC Nordic A/S
Bredgade 23A, 3.
1260 København K
Central Business Registration No
67205812

Annual report 2016/17

Godkendt på selskabets generalforsamling den 28.02.2018

Dirigent


Name: Jan Larsen

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Entity details

Entity

IDC Nordic A/S
Bredgade 23A, 3.
1260 København K

Central Business Registration No: 67205812

Registered in: København

Financial year: 01.10.2016 - 30.09.2017

Board of Directors

Robert James White, formand
Jan Larsen
Jayne Celia Enos
Keith James Arnot

Executive Board

Wafa Moussavi-Amin

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 IDC Nordic A/S for the financial year 01.10.2016 - 30.09.2017.

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

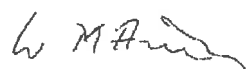
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017.

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, 28.02.2018

Executive Board



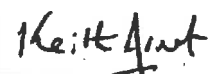
Wafa Moussavi-Amin

Board of Directors



Robert James White

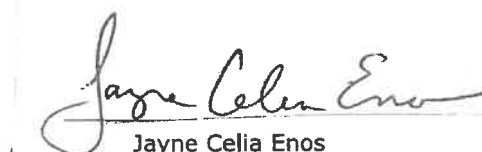
formand



Keith James Arnot



Jan Larsen



Jayne Celia Enos

Independent auditor's report

To the shareholders of IDC Nordic A/S

Opinion

We have audited the financial statements of IDC Nordic A/S for the financial year 01.10.2016 - 30.09.2017, 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 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017 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, 28.02.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556



Flemming Larsen

State Authorised Public Accountant

Identification number (MNE) mne27790

Management commentary

Primary activities

The Group's primary business area is consultancy, market research and go-to-market services within IT and telecommunications technologies.

Development in activities and finances

Profit for the year amounts to DKK 2,165 thousand which the Board of Directors considers satisfactory and in line with expectations.

The vision of IDC Nordic A/S is to be the leading global and local market research, conference and advisory firm helping customers to understand IT technology and telecommunications trends in order to develop effective business plans. This will be developed through a network of committed IDC employees sharing knowledge at all levels.

The IDC products therefore offer a range of services from data analysis and forecasting of trends in the IT and telecommunications industries in order to help customers use this information actively in their business planning and marketing activities.

IDC Nordic A/S is matching this by providing its customers with marketing services, which includes activities such as sponsored conferences and development of marketing collaterals. IDC Nordic A/S is expanding the business within events and marketing support. IDC Nordic A/S is therefore uniquely positioned to provide complete solutions from market strategy development to implementation of marketing activities.

An expanding business area is customised consulting reflecting an increased need for local and specific market information that is immediately actionable. Today consulting constitutes more than half of IDC Nordic A/S' revenue. This trend is expected to continue and strengthen over the coming years.

A new and growing business area for IDC Nordic A/S is technology consultancy for large end-user companies in specific industry verticals. These product offerings are implemented through industry consultants in IDC's Insight organisation, specialising in industries such as financial services, public sector, energy, healthcare sector, manufacturing, and retail.

As the use of market information is increasingly becoming embedded in the daily operations of IT and telecommunications companies and IT users, a growing need for frequent updates of the IT market information exist. IDC is supporting this trend by offering a wide range of new products that track the market on a quarterly basis, from hardware over software to IT services.

Under the influence of a significantly declining market for IDC services, the Company recorded expected lower revenue in the financial year. This was the case for marketing-oriented services and products as well as for the consulting business.

The performance for the year was satisfactory. Management expects continued growth in the new financial year.

Management commentary

Events after the balance sheet date

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

Income statement for 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK'000</u>
Revenue		28.048.953	27.282.682
Other external expenses		<u>(10.312.095)</u>	<u>(10.228.507)</u>
Gross profit/loss		17.736.858	17.054.175
Staff costs	1	(15.370.296)	(15.907.969)
Depreciation, amortisation and impairment losses		<u>(124.771)</u>	<u>(129.756)</u>
Operating profit/loss		2.241.791	1.016.450
Other financial income		408.281	269.158
Other financial expenses		<u>(2.097)</u>	<u>(283.636)</u>
Profit/loss before tax		2.647.975	1.001.972
Tax on profit/loss for the year	2	<u>(481.176)</u>	<u>623.280</u>
Profit/loss for the year		2.166.799	1.625.252
Proposed distribution of profit/loss			
Retained earnings		<u>2.166.799</u>	<u>1.625.252</u>
		2.166.799	1.625.252

Balance sheet at 30.09.2017

	Notes	2016/17 DKK	2015/16 DKK'000
Other fixtures and fittings, tools and equipment		222.840	152.871
Leasehold improvements		0	29.724
Property, plant and equipment	3	222.840	182.595
Other receivables		272.300	272.300
Fixed asset investments	4	272.300	272.300
Fixed assets		495.140	454.895
Cash		4.400.119	4.050.773
Current assets		13.043.459	13.935.783
Assets		13.538.599	14.390.678

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Balance sheet at 30.09.2017

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Contributed capital	500.000	500.000
Retained earnings	4.242.821	2.076.022
Equity	4.742.821	2.576.022
Prepayments received from customers	2.977.862	3.003.176
Trade payables	1.066.262	1.427.769
Payables to group enterprises	1.512.811	4.460.240
Other payables	3.238.843	2.923.471
Current liabilities other than provisions	8.795.778	11.814.656
Liabilities other than provisions	8.795.778	11.814.656
Equity and liabilities	13.538.599	14.390.678
Unrecognised rental and lease commitments	5	
Group relations	6	

Statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	2.076.022	2.576.022
Profit/loss for the year	0	2.166.799	2.166.799
Equity end of year	500.000	4.242.821	4.742.821

Notes

	2016/17	2015/16
	DKK	DKK'000
1. Staff costs		
Wages and salaries	13.988.689	13.833.075
Pension costs	539.389	606.530
Other social security costs	842.218	1.468.364
	15.370.296	15.907.969
	2016/17	2015/16
	DKK	DKK'000
2. Tax on profit/loss for the year		
Tax on current year taxable income	358.558	(44.940)
Change in deferred tax for the year	122.618	(578.340)
	481.176	(623.280)
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
3. Property, plant and equipment		
Cost beginning of year	379.757	148.620
Additions	162.060	0
Disposals	(125.106)	0
Cost end of year	416.711	148.620
Depreciation and impairment losses beginning of the year	(226.886)	(118.896)
Depreciation for the year	(95.047)	(29.724)
Reversal regarding disposals	128.062	0
Depreciation and impairment losses end of the year	(193.871)	(148.620)
Carrying amount end of year	222.840	0

Notes

	Other receivables DKK
4. Fixed asset investments	
Cost beginning of year	272.300
Cost end of year	272.300
Carrying amount end of year	272.300

	2016/17 DKK	2015/16 DKK'000
5. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	389.070	814.778

6. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
The ultimate parent company and ultimate controlling party is Tohigh Holdings Co. Ltd., based at Base 3c, Bldg 1, Guangcai Intl Bldg, No.18 Workers Stadium West Road, Chaoyang District, Beijing 100020, its registered address. Tohigh Holdings Co. Ltd is the largest company with in the group into which IDG Communications Limited results are consolidated.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
The immediate parent is International Data Group Inc., a company incorporated in the US and registered address is One Exeter Plaza 15th Floor Boston, MA 02116, United States. This company is the parent undertaking of the smallest group which includes the Group and for which group accounts are prepared.

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 to these financial statements are consistent with those applied last year.

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 is recognised in the income statement when delivery is made and risk has passed 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 writedowns 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.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the

Accounting policies

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 property, plant and equipment.

Other financial income

Other financial income comprises interest income, realised and unrealised capital losses on securities and transactions in foreign currencies, cash discounts, etc. as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, realised and unrealised capital losses on securities and transactions in foreign currencies, cash discounts, etc. as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Plant and machinery as well as 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 on the basis of the following estimated useful lives of the assets:

Computer equipment etc.	3-5 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns 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.

Accounting policies

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.

Income tax payable or receivable

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

Prepayments

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

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.