IPSOS A/S

Annual report for the period 1 January – 31 December 2018
(24th Financial Year)

The Annual Report was presented and adopted
at the Annual General Meeting of the Company
held on June 24th 2019

Klaus Friis Mikkelsen

CVR no.: 14 74 77 88

COMPANY INFORMATION

The Company:	Ipsos A/S	
	CVR no.:	14 74 77 88
	Date of foundation:	1. September 1990
	Registered office:	Store Kongensgade 1, DK – 1264, Kobenhavn.
	Financial year:	1 January – 31 December
Board of Directors:	Catherine Laurence Stoclet Shane Joseph Farrell Klaus Friis Mikkelsen	
Management	Klaus Friis Mikkelsen	
Audit:	Mazars, Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø	
Bankers:	Danske Bank	
Consolidated Financial Statements:	The Company is included in the Group Annual Report of Ipsos EMEA Holdings Ltd United Kingdom.	

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STATEMENT BY MANAGEMENT

The Board of Directors and the Board of Executives have today considered and adopted the Annual Report of Ipsos A/S for the financial year 1 January – 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

We consider the accounting policies applied appropriate and the accounting estimates made reasonable. To the best of our belief, the Annnal Report includes the information which is relevant for an assessment of the Company's financial position.

In our opinion, the Financial Statements give a true and fair view of the topics it concerns.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 24st June 2019

Management:

Klaus Friis Mikkelsen

Board of Directors:

Catherine Laurence Stoclet

Shane Joseph Farrell

Klaus Friis Mikkelsen

INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS

To the shareholder of Ipsos A/S

Opinion

We have audited the financial statements of Ipsos A/S for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2018 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 are independent of the company in accordance with the International Ethics Standards Board for 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 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 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 judgment and maintain professional skepticism 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.
- 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 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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 24 / 6 2019

MAZARS

statsautoriseret revisionspartnerselskab

Christian Hjortshøj	Dennis Herholdt Rasmussen
State-Authorized Public Accountant	State-Authorized Public Accountant
MNE-nr. 34485	MNE-nr. 43413

MANAGEMENT REVIEW

Main activities

The Company's activity comprises performing marketing research and opinion polls.

Uncertainty by measurement

There are no financial matters where estimates have or will affect the company's result or balance sheet significantly.

Development in the year

The management and the board of directors consider the financial results satisfactory.

Events after the reporting period

No significant events considered to have an impact on the evaluation of the Annual Report have occurred after the balance sheet date.

Outlook

It is expected that the Company's development for 2019 in terms of operations and liquidity will be satisfactory.

ACCOUNTING POLICIES

The Annual Report of Ipsos A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) concerning a class B enterprise as well as selected provisions as regards larger entities.

Accounting policies remain unchanged compared with last year.

The Financial Statements for 2018 are presented in DKK.

Changes in accounting policies

The Company has decided to implement the revenue recognition principles lines out in IFRS 15 Revenue from Contracts with Customers.

The change will more accurately reflect the revenue relating to these revenue streams. The change in revenue recognition criteria has an effect on revenue and contract work in progress.

The comparative figures for 2017 have in accordance with IFRS 15 and the Danish Financial Statement Act been changed, which has resulted in a reduction of gross margin for 2017 of DKK 178,217 and profit for the year for 2017 of DKK 139,009 after tax. In addition the change has resulted in a decrease in equity as at 1 January by DKK 139,009. Besides this the change has affected the Company's contract work in progress and total assets by DKK -178,217 and deferred tax have decreased by DKK 39,208.

Other than the changes in revenue recognition method above, the accounting policies applied remain unchanged from previous years.

Basis of recognition and measurement

Income is recognised in the income statement as it is earned, including adjustments to the value of financial assets and liabilities. All expenses, including depreciation, amortisation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company and the value of such assets can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liabilities can be measured reliably.

On initial recognition assets and liabilities are measured at cost and subsequently as described for each item below.

Certain financial assets and liabilities are subsequently measured at amortised cost, and constant effective rate of interest being applied over the term of the liabilities. Amortised cost is computed as original cost less any principal repayments and less / plus accumulated amortisation of the difference between cost on nominal value.

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.

The booked value of property, plant and equipment is reviewed yearly to determine whether there is indication of decrease of value except from what is reflected by normal depreciation. If this is the case, write off is made to the lower recovery value.

ACCOUNTING POLICIES, continued

Translation adjustments

Foreign currency transactions are translated using the rate of exchange applicable at the date of transaction. Any exchange differences arising between the rate of exchange applicable at the date of transaction and the date of exchange applicable at the payment date are recognised in the income statement as a financial item. If the exchange positions are regarded as future cash flow security the value adjustments are recognised directly on equity.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance, are translated by using the closing rate. The difference between the closing rate and the rate at the time of estiblishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate.

Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Exchange rate adjustments of current accounts with foreign group enterprises, which are considered an addition or a deduction in the equity of independent group enterprises, are recognised directly in the equity. Likewise, capital profits and losses on loans and derived financial instruments for hedging independent foreign group enterprises are recognised in the equity.

THE INCOME STATEMENT

Gross margin

The gross margin comprises the net turnover, work in progress, work performed for own purposes and capitalised, other operating income and external costs.

Revenue

The net turnover is recognised in the profit and loss account upon delivery of the services, provided that the delivery and the risk have passed to the buyer before the end of the year. Net turnover is recognised exclusive of VAT and less sales discount.

ACCOUNTING POLICIES, continued

Contract work in progress concerning construction contracts is recognized concurrently with the progress of the production. Thus, the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognized when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs to social security to the Company's employees. These are deducted received compensation from public authority in staff costs.

Other external expenses

Other external expenses comprise expenses related to distribution, sale, advertising, administration, premises, losses on receivables, lease payments under operating leases etc.

Amortisation, depreciation and impairment losses

Depreciation includes depreciation of property plant and equipment. Fixed assets are depreciated using the straightline method, based on the cost, measured by reference to the below assessment of the useful lives of the assets:

Software..3 years
Fixed plant in buildings..........................5 years
Fixtures and fittings and equipment...........3-5 years

Acquisitions with a life time under 1 year are written off fully in the year of acquisition.

Net financials

Financial income and costs are recognised in the income statement with those amounts, which concerns the financial year. Items under financial income and expenses consists of interest income and costs, realised and unrealised capital gain and loss concerning transactions in foreign currency, additions and compensations under the tax prepayment scheme etc.

Tax on results for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity, transactions is recognised directly in equity. Tax for the year moreover includes surcharges and re-funds under the on-account taxation scheme.

ACCOUNTING POLICIES, continued

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprising leasehold improvements and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and write downs.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of won construction, cost comprises directly and indirect expenses for labour, materials, components and sub-suppliers.

Profits or losses from disposal of property, plant and equipment are stated as the difference between the selling prices less than selling costs and the carrying amount at the date of sale. Profits or losses are recognised in the income statement under other income / expenses.

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount), if it is lower than the carrying amount.

Financial fixed assets

Deposits

Deposits for leases regarding leases with a term of more than one year. Deposits are measured at cost.

Current assets

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provision for bad debts are determined in the basis of an individual assessment of each receivable.

Work in progress for the account of others

Work in progress for the account of others is measured at the market value of the work performed. The market value is measured on basis of the scope of completion on the balance sheet date and the total expected income from the individual work in progress.

When the market value of a contract cannot be determined reliably, the sales value is measured at the costs incurred or at the net realisable value, if this is lower.

The individual work in progress is recognised in the balance sheet under debtors or liabilities, depending on the net value of the sales price with deduction of prepayments and amounts invoiced on account.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

ACCOUNTING POLICIES, continued

Prepayments

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Proposed dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Liabilities

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

Corporation tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognized by 22 %.

Deferred tax assets, including the tax base of tax loss carry forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

INCOME STATEMENT FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2018

	Note	2018	2017
GROSS MARGIN:		26.185.031	28.944.734
Staff costs	1	-27.176.686	-21.993.913
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-245.382	-234.114
OPERATING PROFIT:		-1.237.038	6.716.707
Financial expenses	3	-415.603	-309.261
PROFIT BEFORE TAX:		-1.652.641	6.407.446
Tax on profit for the year	2	11.915	-1.972.582
PROFIT FOR THE YEAR:		-1.640.726	4.434.864

		2018	2017
PROPOSED DISTRIBUTION OF PROFIT:			
Proposed dividend for the year		-	3.600.000
Retained earnings		-1.640.726	834.864
TOTAL APPROPRIATION OF PROFIT:		-1.640.726	4.434.864

BALANCE SHEET AT 31 DECEMBER 2018

	Note	31.12.2018	31.12.2017
Other fixtures and fittings, tools and equipment	5	943.443	1.006.173
Property, plant and equipment		943.443	1.006.173
Deposits	5	426.105	426.105
Financial assets		426.105	426.105
FIXED ASSETS:		1.369.548	1.432.278
Trade receivables		27.936.538	19.410.468
Contract work in progress		4.195.872	2.079.652
Receivables from group enterprises		1.768.350	335.600
Other receivables		48,265	80.977
Prepayments		59.575	390.195
Receivables		34.008.600	22.296.892
Cash at bank and in hand		1.705.846	3.888.878
CURRENT ASSETS:		35.714.446	26.185.770
ASSETS:		37.083.994	27.618.048

BALANCE SHEET AT 31 DECEMBER 2018

	Note	31.12.2018	31.12.2017
LIABILITIES AND EQUITY:			
Share capital		700.000	700.000
Retained earnings		2.743.922	4.384.648
Proposed dividend for the financial year		-	3.600.000
EQUITY:		3.443.922	8.684.648
Trade payables		803.692	2.345.671
Prepayments received from customers		4.373.485	5.271.006
Contract work in progress		8.502.840	-
Payable Corporate Tax	2	0	1.721.478
Deferred tax liability	2	18.058	80.238
Payables to group enterprises		13.430.150	1.462.307
Other payables		6.511.847	8.052.700
Short-term liabilities other than provision		33.640.072	18.933.400
LIABILITIES OTHER THAN PROVISIONS:		33.640.072	18.933.400
LIABILITIES AND EQUITY:		37.083.994	27.618.048

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STATEMENT OF CHANGES IN EQUITY FOR 2018

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
	DKK'000	DKK'000	DKK'000	DKK'000
Balance at 1 January 2017.....................	700.000	4.523.657	3.600.000	8.823.657
Prior year IFRS15 adjustment...............	-	-139.009	-	-139.009
Balance at 1 January 2018.....................	700.000	4.384.648	3.600.000	8.684.648
Ordinary dividend paid........................	-	-	-3.600.000	-3.600.000
Profit for the year..............................	-	-1.640.726	-	-1.640.726
EQUITY YEAR END:	700.000	2.743.922	-	3.443.922

The share capital consists of 7,000 shares of a nominal value of DKK 100. The shares have not been divided into classes. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

NOTES TO THE FINANCIAL ACCOUNTS

Note		2018	2017
1	**STAFF COSTS:**		
	Wages and salaries	24.732.086	20.217.526
	Pensions	1.810.055	1.269.193
	Other social security costs	98.145	321.648
	Other staff costs	536.400	185.546
		27.176.686	21.993.913
	Average number of employees	53	46
2	**TAX ON PROFIT FOR THE YEAR:**		
	Current tax for the year	-	1.721.478
	Change in deferred tax for the year	-11.915	290.312
		-11.915	2.011.790
3	**FINANCIAL EXPENSES:**		
	Non-deductible interest and fees	154.095	47.917
	Translation adjustment, currency	226.036	215.426
	Charges	35.472	45.918
		415.603	309.211

NOTES TO THE FINANCIAL ACCOUNTS, continued

Note

4 PROPERTY, PLANT AND EQUIPMENT:

	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost at 1 January	154.764	3.059.479
Additions for the year	-	182.654
Cost at 31 December	154.764	3.242.133
Impairment losses and depreciation at 1 January	51.588	2.156.484
Depreciation for the year	25.794	219.588
Impairment losses and depreciation at 31 December	77.382	2.376.072
CARRYING AMOUNT AT 31 DECEMBER 2018:	77.382	866.061

5 FINANCIAL ASSETS

	Deposits
Cost at 1 January	426.105
Additions	-
Disposals	-
Cost at 31 December	426.105
Depreciation at 31 December	-
CARRYING AMOUNT AT 31 DECEMBER 2018:	426.105

NOTES TO THE FINANCIAL ACCOUNTS, continued

Note		2018	2017
6	**CONTRACTUAL OBLIGATIONS:**		
	Liabilities according to rent and lease contracts running to expiration..	1.944.950	2.509.093

The company has entered into operating rent and lease agreements of T.DDK 610. The total liability is T.DKK 1.945.

7 **RELATED PARTIES AND OWNERSHIP:**

Ownership:

The Company has registered the following shareholders by more than 5% of the voting rights or nominal value:
Ipsos EMEA Holdings Ltd. London, UK

8 **GROUP STRUCTURE:**

Name and registered office of the parent company that prepares Consolidated Financial Statements for the largest group:

Ipsos SA

35 rue du Val de Marne

75628 Paris cedex 13

France