
Outrider A/S

Kristen Bernikows Gade 1, 3., DK-1105 Copenhagen
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Annual Report for 1 January - 31 December 2016

CVR No 21 14 80 40

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
6 /6 2017

Lars Petersen
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Outrider A/S for the financial year 1 January - 31 December 2016.

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 at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 31 May 2017

Executive Board

Paw Daniel Munoz Saxgren
CEO

Board of Directors

Jonas von Barnekow Benzon
Hemmingsen
Chairman

Paw Daniel Munoz Saxgren

Jens Storkfelt

Independent Auditor's Report

To the Shareholder of Outrider A/S

Opinion

We have audited the Financial Statements of Outrider A/S for the financial year 1 January - 31 December 2016, which comprise 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 financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 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.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Independent Auditor's Report

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Copenhagen, 31 May 2017

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Kim Takata Mücke
State Authorised Public Accountant

Morten Jarlbo
State Authorised Public Accountant

Company Information

The Company

Outrider A/S
Kristen Bernikows Gade 1, 3.
DK-1105 Copenhagen K

CVR No: 21 14 80 40
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Jonas von Barnekow Benzon Hemmingsen, Chairman
Paw Daniel Munoz Saxgren
Jens Storkfelt

Executive Board

Paw Daniel Munoz Saxgren

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-0900 Copenhagen C

Management's Review

Key activities

The Entity's activity is to handle the Danish part of the GroupM Group's competencies within the fields of programmatic, search word and social advertising as well as optimisation of content and messages. The GroupM Group is part of the global WPP Group.

Development in activities and finances

The income statement for 2016 shows a gain of DKK 515 thousand and a balance sheet equity of DKK 1.806 thousand at 31. December 2016. The financial performance is not considered satisfactory.

Outlook

Management expects increased activity and positive development in 2017.

Particular risks

The Entity's main business risks relate to the business sector's investments in media and marketing activities. Consequently, the Entity's development is dependent on the general financial climate for enterprises in Denmark.

Uncertainty relating to recognition and measurement

Management believes that there are no significant uncertainties related to the preparation of the Entity's 2016 annual report.

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.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> TDKK	<u>2015</u> TDKK
Gross profit/loss		27.159	19.076
Staff expenses	1	-26.408	-18.496
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-93	-93
Profit/loss before financial income and expenses		658	487
Financial income	2	12	35
Financial expenses	3	-44	-143
Profit/loss before tax		626	379
Tax on profit/loss for the year	4	-111	-89
Net profit/loss for the year		515	290

Distribution of profit

Proposed distribution of profit

Retained earnings		515	290
		515	290

Balance Sheet 31 December

Assets

	Note	2016 TDKK	2015 TDKK
Other fixtures and fittings, tools and equipment		148	212
Leasehold improvements		38	66
Property, plant and equipment	5	186	278
Fixed assets		186	278
Trade receivables		3.646	563
Contract work in progress		139	51
Receivables from group enterprises		33.172	34.272
Other receivables		178	121
Deferred tax asset		0	51
Corporation tax		1.976	0
Prepayments		26	46
Receivables		39.137	35.104
Currents assets		39.137	35.104
Assets		39.323	35.382

Balance Sheet 31 December

Liabilities and equity

	Note	2016 TDKK	2015 TDKK
Share capital		550	550
Retained earnings		1.256	741
Equity	6	1.806	1.291
Provision for deferred tax		235	0
Provisions		235	0
Prepayments received from customers		1.091	1.593
Trade payables		10.221	15.880
Payables to group enterprises		15.439	7.838
Corporation tax		0	8
Other payables		10.531	8.772
Short-term debt		37.282	34.091
Debt		37.282	34.091
Liabilities and equity		39.323	35.382
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Statement of Changes in Equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January	550	741	1.291
Net profit/loss for the year	0	515	515
Equity at 31 December	550	1.256	1.806

Notes to the Financial Statements

	2016 <u>TDKK</u>	2015 <u>TDKK</u>
1 Staff expenses		
Wages and salaries	24.893	17.508
Pensions	1.102	689
Other social security expenses	389	288
Other staff expenses	<u>24</u>	<u>11</u>
	<u>26.408</u>	<u>18.496</u>
 Average number of employees	 <u>57</u>	 <u>39</u>
<p>The Executive Board and senior officers at Outrider A/S are participating in the WPP Group's share option programme. The programme has been entered with WPP Plc. and Outrider A/S is not impacted financially.</p>		
2 Financial income		
Exchange gains	<u>12</u>	<u>35</u>
	<u>12</u>	<u>35</u>
3 Financial expenses		
Other financial expenses	25	21
Exchange loss	<u>19</u>	<u>122</u>
	<u>44</u>	<u>143</u>
4 Tax on profit/loss for the year		
Current tax for the year	-147	89
Deferred tax for the year	272	0
Adjustment of tax concerning previous years	-28	0
Adjustment of deferred tax concerning previous years	<u>14</u>	<u>0</u>
	<u>111</u>	<u>89</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Leasehold improvements TDKK
Cost at 1 January	574	151
Cost at 31 December	574	151
Impairment losses and depreciation at 1 January	361	85
Depreciation for the year	65	28
Impairment losses and depreciation at 31 December	426	113
Carrying amount at 31 December	148	38

6 Equity

The share capital consists of 11 shares of a nominal value of TDKK 50. No shares carry any special rights.

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

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The companies MEC Denmark Holding A/S, MEC Denmark A/S, Outrider A/S and Maxus A/S have provided a counter-guarantee of DKK 14,500 thousand in favour of the companies' banker. The guarantee is provided for the Security Fund of the Danish Association of Advertising and Relationship Agencies in order to compensate the companies' obligations in relation to owners of papers and magazines, and a specified group of Danish mediaowners, respectively.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of WWP Holding Denmark A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

8 Related parties

Basis

Controlling interest

MEC Denmark Holding A/S

Shareholder

Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Name

Place of registered office

WPP Plc.

27 Farm Street, W17 5RJ, London, England

The consolidated financial statements are available on: www.wppinvestor.com.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Outrider A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in TDKK.

Recognition and measurement

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 the asset can be measured reliably.

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit/loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Notes to the Financial Statements

9 Accounting Policies (continued)

Revenue

Revenue from the sale of media 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.

Consultancy services are included in revenue based on the stage of completion so that revenue corresponds to the sales value of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises consumed use of media to achieve the revenue for the year. Cost of sales includes received discounts, etc.

Other external expenses

Other external expenses comprise expenses for premises, stationery and office supplies, marketing costs and services provided by group related companies etc. This item also includes write-downs of receivables recognised in current assets.

Staff expenses

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 property, plant 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 property, plant and equipment.

Financial income and expenses

Other financial income comprises interest income, including interest income on receivables from group enterprises, net foreign exchange gains, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net foreign exchange losses, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Notes to the Financial Statements

9 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in 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.

The Company is jointly taxed with the other WPP companies in Denmark. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3-5 years

Depreciation period and residual value are reassessed annually.

Cash pool

The company is part of a cash pool scheme with other Danish WPP companies. Consequently, a considerable portion of the Company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Notes to the Financial Statements

9 Accounting Policies (continued)

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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 within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

9 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.