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# ***AdPeople A/S***

Vibevej 26, DK-2400 Copenhagen NV

## **Annual Report for 1 January - 31 December 2021**

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CVR No 25 13 72 05

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
25/5 2022

Martin Hviid Saxtorph  
Chairman of the General  
Meeting

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of AdPeople A/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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, 25 May 2022

## Executive Board

Andrew Jordan Rutberg  
Executive Officer

Martin Hviid Saxtorph  
Executive Officer

Christopher John Myers  
Executive Officer

## Board of Directors

Manuel de Manzanos Segimon  
Chairman

Sofia Pietrella

Martin Hviid Saxtorph

# Independent Auditor's Report

To the Shareholder of AdPeople A/S

## Opinion

We have audited the Financial Statements of AdPeople A/S for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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' 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. 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.

# Independent Auditor's Report

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.

## **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.

## **Independent Auditor's Report**

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.

København, 25 May 2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 96 35 56*

Kim Takata Mücke  
State Authorised Public Accountant  
mne10944

Brian Schmit Jensen  
State Authorised Public Accountant  
mne40050

## **Company Information**

### **The Company**

AdPeople A/S  
Vibevej 26  
DK-2400 Copenhagen NV

CVR No: 25 13 72 05  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Manuel de Manzanos Segimon , Chairman  
Sofia Pietrella  
Martin Hviid Saxtorph

### **Executive Board**

Andrew Jordan Rutberg  
Martin Hviid Saxtorph  
Christopher John Myers

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-2300 Copenhagen S

## Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	57.330	48.412	44.602	38.123	33.791
Profit/loss before financial income and expenses	23.370	22.295	23.038	19.885	17.612
Net financials	6.945	6.791	6.464	7.727	4.523
Net profit/loss for the year	24.229	23.682	23.841	22.500	17.857
<b>Balance sheet</b>					
Balance sheet total	122.613	119.864	78.287	95.984	82.416
Equity	80.063	80.834	57.152	83.311	60.811
Investment in property, plant and equipment	1.465	2.636	108	623	18
Number of employees	72	54	42	36	29
<b>Ratios</b>					
Solvency ratio	65,3%	67,4%	73,0%	86,8%	73,8%
Return on equity	30,1%	34,3%	33,9%	31,2%	34,4%



# Management's Review

## **Key activities**

The Company's primary business areas are creation of Advertising materials, Marketing Content Production, Creative Consultancy and Marketing Production Technology Development.

The Company breathe new life into the relationship between brands and consumers through quality content. Borrowing from a unique blend of local and international experience, combining strategic, creative and production capabilities into one seamless process – crafting a unified brand experience from conceptualization to completion. The Company's onshore-offshore production solutions are best-in-class, managed by our team of talented account and creative leads in Copenhagen, and supported by execution specialists in Dhaka.

Adpeople is a global center of excellence for the creation and production of marketing content.

Management expects further integration within the Wunderman and WPP networks to improve its overall market position, competencies and client portfolio.

## **Development in the year**

The income statement of the Company for 2021 shows a profit of TDKK 24,229, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 80,063.

## **The past year and follow-up on development expectations from last year**

The development in the result for the year meets Management's expectations for the financial year 2021.

## ***Market risks***

The Company is not exposed to special risks except for normal risks within the industry.

## ***Foreign exchange risks***

The Company is increasingly exposed towards currency risk. To the extent possible, the Company takes this into consideration when negotiating terms in agreements etc. The Company has not entered into any forward contracts.

## **Targets and expectations for the year ahead**

Management expects a positive result for 2022 at the level of 2021.

## **Subsequent events**

No circumstances have occurred after the balance sheet date that distort the assessment of the annual report.

## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>Gross profit/loss</b>		<b>57.330</b>	<b>48.412</b>
Staff expenses	2	-33.540	-25.885
Depreciation and impairment of property, plant and equipment		-420	-232
<b>Profit/loss before financial income and expenses</b>		<b>23.370</b>	<b>22.295</b>
Income from investments in subsidiaries		6.412	7.108
Financial income		706	135
Financial expenses		-173	-452
<b>Profit/loss before tax</b>		<b>30.315</b>	<b>29.086</b>
Tax on profit/loss for the year	3	-6.086	-5.404
<b>Net profit/loss for the year</b>		<b>24.229</b>	<b>23.682</b>

## Balance Sheet 31 December

### Assets

	Note	2021 TDKK	2020 TDKK
Other fixtures and fittings, tools and equipment		1.293	356
Leasehold improvements		245	137
<b>Property, plant and equipment</b>	4	<b>1.538</b>	<b>493</b>
Investments in subsidiaries	5	588	588
Other receivables	6	0	713
<b>Fixed asset investments</b>		<b>588</b>	<b>1.301</b>
<b>Fixed assets</b>		<b>2.126</b>	<b>1.794</b>
Trade receivables		16.718	13.866
Contract work in progress	7	6.758	3.757
Receivables from group enterprises		90.720	92.039
Other receivables		1.159	78
Corporation tax		4.924	1.627
Prepayments		208	11
<b>Receivables</b>		<b>120.487</b>	<b>111.378</b>
<b>Cash at bank and in hand</b>		<b>0</b>	<b>6.692</b>
<b>Currents assets</b>		<b>120.487</b>	<b>118.070</b>
<b>Assets</b>		<b>122.613</b>	<b>119.864</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 TDKK	2020 TDKK
Share capital	8	518	518
Retained earnings		29.545	55.316
Proposed dividend for the year		50.000	25.000
<b>Equity</b>		<b>80.063</b>	<b>80.834</b>
Provision for deferred tax	10	303	303
Other provisions	11	0	279
<b>Provisions</b>		<b>303</b>	<b>582</b>
Credit institutions		0	6.126
Trade payables		3.168	663
Contract work in progress, liabilities	7	25.087	14.792
Payables to group enterprises		8.943	10.394
Other payables		5.049	6.473
<b>Short-term debt</b>		<b>42.247</b>	<b>38.448</b>
<b>Debt</b>		<b>42.247</b>	<b>38.448</b>
<b>Liabilities and equity</b>		<b>122.613</b>	<b>119.864</b>
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## Statement of Changes in Equity

	Share capital	Retained	Proposed	Total
	<u>TDKK</u>	<u>earnings</u>	<u>dividend for the</u>	<u>TDKK</u>
		TDKK	year	
			TDKK	
Equity at 1 January	518	55.316	25.000	80.834
Ordinary dividend paid	0	0	-25.000	-25.000
Net profit/loss for the year	0	-25.771	50.000	24.229
<b>Equity at 31 December</b>	<b>518</b>	<b>29.545</b>	<b>50.000</b>	<b>80.063</b>

# Notes to the Financial Statements

## 1 Subsequent events

No circumstances have occurred after the balance sheet date that distort the assessment of the annual report.

	<u>2021</u> TDKK	<u>2020</u> TDKK
<b>2 Staff expenses</b>		
Wages and salaries	32.319	25.026
Pensions	721	597
Other social security expenses	500	262
	<u><b>33.540</b></u>	<u><b>25.885</b></u>
<b>Average number of employees</b>	<u><b>72</b></u>	<u><b>54</b></u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

## 3 Tax on profit/loss for the year

Current tax for the year	6.086	5.113
Deferred tax for the year	0	291
	<u><b>6.086</b></u>	<u><b>5.404</b></u>

## Notes to the Financial Statements

### 4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Leasehold improvements TDKK
Cost at 1 January	2.227	290
Additions for the year	1.217	248
Cost at 31 December	3.444	538
Impairment losses and depreciation at 1 January	1.871	153
Depreciation for the year	280	140
Impairment losses and depreciation at 31 December	2.151	293
<b>Carrying amount at 31 December</b>	<b>1.293</b>	<b>245</b>

	2021 TDKK	2020 TDKK
Cost at 1 January	588	588
<b>Carrying amount at 31 December</b>	<b>588</b>	<b>588</b>

### 5 Investments in subsidiaries

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Graphic People Ltd.	Dhaka, Bangladesh	Taka 5.000.000	60%	17.944	13.847
SoftwarePeople Ltd.	Dhaka, Bangladesh	Taka 5.000.000	65%	6.234	5.520

The numbers above in the latest published in the Annual Reports for 2020 using the FX rate at 31 December 2020 (Taka/DKK 7,173).

## Notes to the Financial Statements

### 6 Other fixed asset investments

	Other receiv- ables	
	TDKK	
Cost at 1 January		713
Disposals for the year		<u>-713</u>
Cost at 31 December		<u>0</u>
<b>Carrying amount at 31 December</b>		<b><u>0</u></b>

### 7 Contract work in progress

Selling price of work in progress	4.437	24.981
Payments received on account	<u>-22.766</u>	<u>-36.016</u>
	<b><u>-18.329</u></b>	<b><u>-11.035</u></b>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	6.758	3.757
Prepayments received recognised in debt	<u>-25.087</u>	<u>-14.792</u>
	<b><u>-18.329</u></b>	<b><u>-11.035</u></b>

### 8 Equity

The share capital consists of 5,182 shares of a nominal value of DKK 100. No shares carry any special rights.



## Notes to the Financial Statements

	2021 TDKK	2020 TDKK
<b>9 Distribution of profit</b>		
Proposed dividend for the year	50.000	25.000
Retained earnings	-25.771	-1.318
	<b>24.229</b>	<b>23.682</b>

### 10 Provision for deferred tax

Provision for deferred tax at 1 January	303	12
Amounts recognised in the income statement for the year	0	291
<b>Provision for deferred tax at 31 December</b>	<b>303</b>	<b>303</b>

### 11 Other provisions

Other provisions comprise anticipated costs of refurbishment of leasehold and loss on sublease contract.

Other provisions	0	279
	<b>0</b>	<b>279</b>

### 12 Contingent assets, liabilities and other financial obligations

#### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Until expiry	846	1.753
	<b>846</b>	<b>1.753</b>

#### Other contingent liabilities

The Company participates in a Danish joint taxation arrangement with WPP Holding Denmark A/S as the administration company. According to the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to withholding tax on interest, royalties and dividends for the jointly taxed companies.

# Notes to the Financial Statements

## 13 Related parties

	<b>Basis</b>
<b>Controlling interest</b>	
Russel Square Holding B.V, Holland	Controlling shareholder

### Consolidated Financial Statements

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

Name	Place of registered office
WPP plc.	27 Farm Street, W1J 5RJ London, England
WPP Jubilee Limited (smallest group)	18 Upper Ground, SE1 9GL, London, England
WPP Plc. (largest group)	Queensway House, Hilgrove Street, St. Helier, JE1 1ES, Jersey, England

The Group Annual Report of WPP plc. may be obtained at the following address: [www.wpp.com](http://www.wpp.com).

# Notes to the Financial Statements

## 14 Accounting Policies

The Annual Report of AdPeople A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of WPP plc., 27 Farm Street, W1J 5RJ London, England, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of WPP plc., 27 Farm Street, W1J 5RJ London, England, the Company has not prepared a cash flow statement.

### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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 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.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

# Notes to the Financial Statements

## 14 Accounting Policies (continued)

### 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.

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

### Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service performed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

# Notes to the Financial Statements

## 14 Accounting Policies (continued)

### **Depreciation and impairment losses**

Depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

### **Income from investments in subsidiaries**

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### **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 WPP entities in Denmark. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## 14 Accounting Policies (continued)

### 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	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

#### Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

#### 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

## 14 Accounting Policies (continued)

### Contract work in progress

Contract work in progress is measured at the sales value of the work carried out at the balance sheet date.

The sales value is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

For projects where the consumption of resources cannot be applied as a basis, stage of completion is determined as the ratio between completed and total sub activities of the individual projects.

Each contract in progress is recognised in the balance sheet under receivables or liabilities, depending on whether the net value, calculated as the selling price less on account billings, is positive or negative.

Cost of securing contracts are recognised in the income statement as incurred.

### Prepayments

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

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### 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

## 14 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. Compensation and surcharges under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Financial Highlights

### Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$