



ARTEFACT DENMARK A/S  
Pilestræde 52 A, 3.  
1112 København K

Annual report for 2019

Adopted at the annual general meeting on  
2 October 2020

DocuSigned by:

*Guillaume de Roquemaurel*

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Guillaume Marie Paul de Roquemaurel  
chairman

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Artefact Denmark A/S for the financial year 1 January - 31 December 2019.

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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

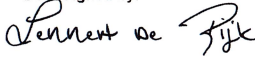
In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 2 October 2020

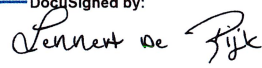
### Executive board

Lennert de Rijk  
director

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### Supervisory board

DocuSigned by:  
  
Guillaume de Roquemaurel  
Guillaume Marie-Paul de  
Roquemaurel  
chairman

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Lennert de Rijk

## INDEPENDENT AUDITOR'S REPORT

*To the shareholder of Artefact Denmark A/S*

### **Opinion**

We have audited the financial statements of Artefact Denmark A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 the 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:

## 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 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 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, 2 October 2020

### MAZARS

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Dennis Herholdt Rasmussen  
state authorized public accountant  
MNE no. mne43413

## COMPANY DETAILS

The company	Artefact Denmark A/S Pilestræde 52 A, 3. 1112 København K
	CVR no.: 26 24 74 97
	Reporting period: 1 January - 31 December 2019
	Domicile: Copenhagen
Supervisory board	Guillaume Marie Paul de Roquemaurel, chairman Lennert de Rijk
Executive board	Lennert de Rijk, director
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

## MANAGEMENT'S REVIEW

### **Business review**

As in prior years, the Company's principal activities during the year consist in consulting within digital marketing. Artefact Denmark A/S is part of Artefact S.A., that is among the leading companies in digital marketing engineering in Europe.

Artefact is a digital agency with focus on marketing engineering. Artefact helps its customers with marketing solutions and drives synergies from digital media, data and AI. The employees are analytic, systematic and results-oriented with an engineering mindset, which ensures the customers' success.

### **Financial review**

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 9.859.221, and the balance sheet at 31 December 2019 shows equity of DKK 961.487.

### **Significant events occurring after the end of the financial year**

In the beginning of 2020 the Company have sold its entire business activities to a third party



## ACCOUNTING POLICIES

The annual report of Artefact Denmark A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation 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 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less costs of consumables and other external expenses.

#### **Revenue**

Income from the sale of services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

#### **Cost of sales**

Costs of sales include the consumables used in generating the year's revenue.

#### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

## ACCOUNTING POLICIES

### Staff costs

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

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions and allowances under the advance-payment-of-tax scheme, etc.

### Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

### Balance sheet

#### Intangible assets

Development costs and costs relating to rights developed by the company are recognised in the income statement as costs in the year of acquisition.

Depreciation is 1/3 per year.

#### Tangible assets

Items of Other fixtures and fittings, tools and Leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	3-5 years	0 %

## ACCOUNTING POLICIES

### **Impairment of fixed assets**

The carrying amount of intangible assets and equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

### **Receivables**

Receivables are measured at amortised cost.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

### **Equity**

#### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### **Liabilities**

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

## ACCOUNTING POLICIES

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Gross profit</b>		<b>9.710.528</b>	<b>17.147.474</b>
Staff costs	3	<u>-17.085.204</u>	<u>-21.849.561</u>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-1.092.525</u>	<u>-368.771</u>
<b>Profit/loss before net financials</b>		<b>-8.467.201</b>	<b>-5.070.858</b>
Financial income	4	323.041	736.009
Financial costs	5	<u>-465.061</u>	<u>-295.499</u>
<b>Profit/loss before tax</b>		<b>-8.609.221</b>	<b>-4.630.348</b>
Tax on profit/loss for the year	6	<u>-1.250.000</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>-9.859.221</u></b>	<b><u>-4.630.348</u></b>
 <b>Distribution of profit</b>			
Retained earnings		<u>-9.859.221</u>	<u>-4.630.348</u>
		<b><u>-9.859.221</u></b>	<b><u>-4.630.348</u></b>

**BALANCE SHEET 31 DECEMBER**

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>ASSETS</b>			
Completed development projects		0	553.892
<b>Intangible assets</b>	7	<b>0</b>	<b>553.892</b>
Other fixtures and fittings, tools and equipment		192.308	313.108
Leasehold improvements		22.931	208.833
<b>Tangible assets</b>	8	<b>215.239</b>	<b>521.941</b>
Receivables from group enterprises		879.855	90.621
Deposits		2.500	0
<b>Fixed asset investments</b>		<b>882.355</b>	<b>90.621</b>
<b>Total non-current assets</b>		<b>1.097.594</b>	<b>1.166.454</b>
Trade receivables		6.025.378	7.698.532
Contract work in progress		1.988.441	625.186
Receivables from group enterprises		17.143.502	20.738.083
Other receivables		730.573	774.784
Deferred tax asset		0	1.250.000
<b>Receivables</b>		<b>25.887.894</b>	<b>31.086.585</b>
<b>Cash at bank and in hand</b>		<b>80.387</b>	<b>198</b>
<b>Total current assets</b>		<b>25.968.281</b>	<b>31.086.783</b>
<b>Total assets</b>		<b>27.065.875</b>	<b>32.253.237</b>

**BALANCE SHEET 31 DECEMBER**

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		503.000	503.000
Reserve for development expenditure		0	553.892
Retained earnings		<u>458.487</u>	<u>7.529.392</u>
<b>Equity</b>		<b><u>961.487</u></b>	<b><u>8.586.284</u></b>
Banks		3.597.553	4.147.946
Trade payables		2.444.860	7.734.490
Prepayments received recognised in debt		3.829.777	2.941.305
Payables to group enterprises		12.917.958	4.909.712
Other payables		<u>3.314.240</u>	<u>3.933.500</u>
<b>Total current liabilities</b>		<b><u>26.104.388</u></b>	<b><u>23.666.953</u></b>
<b>Total liabilities</b>		<b><u>26.104.388</u></b>	<b><u>23.666.953</u></b>
<b>Total equity and liabilities</b>		<b><u><u>27.065.875</u></u></b>	<b><u><u>32.253.237</u></u></b>
Letter of support	1		
Subsequent events	2		
Rent and lease liabilities	9		
Contingent liabilities	10		
Related parties and ownership structure	11		

**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2019	503.000	553.892	7.529.392	8.586.284
Capital contribution	0	0	2.234.424	2.234.424
Transfers, reserves	0	-553.892	553.892	0
Net profit/loss for the year	0	0	-9.859.221	-9.859.221
Equity at 31 December 2019	<u>503.000</u>	<u>0</u>	<u>458.487</u>	<u>961.487</u>



## NOTES

### 1 LETTER OF SUPPORT

The Company has received a letter of support from Artefact Holding A/S, which irrevocably undertakes to support the company in fulfilling all its obligations until 31 December, 2020. Similarly, Artefact Holding A/S has received a letter of support from its parent company Artefact S.A.

### 2 SUBSEQUENT EVENTS

The Company have in 2020 sold of their business activities. Activity in 2020 have therefore been very limited.

	2019	2018
	DKK	DKK
<b>3 STAFF COSTS</b>		
Wages and salaries	16.764.491	21.329.719
Pensions	149.940	233.809
Other social security costs	170.773	286.033
	17.085.204	21.849.561
Average number of employees	36	45
<b>4 FINANCIAL INCOME</b>		
Interest received from subsidiaries	323.041	736.009
	323.041	736.009
<b>5 FINANCIAL COSTS</b>		
Financial expenses, group entities	61.709	33.063
Other financial costs	303.871	251.250
Exchange adjustments costs	99.481	11.186
	465.061	295.499
<b>6 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Deferred tax for the year	1.250.000	0
	1.250.000	0

As at 31. december 2018, the Company has recognised a deferred tax asset of TDKK 1,250. The deferred tax asset primarily consist of a tax loss carried forward and temporary differences relating to fixed assets. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years. The tax asset have been impaired in 2019.

## NOTES

### 7 INTANGIBLE ASSETS

	Completed development projects
Cost at 1 January 2019	576.215
Additions for the year	40.790
Disposals for the year	-260.454
Cost at 31 December 2019	356.551
Impairment losses and amortisation at 1 January 2019	22.323
Amortisation for the year	111.133
Reversal of impairment and amortisation of sold assets	223.095
Impairment losses and amortisation at 31 December 2019	356.551
Carrying amount at 31 December 2019	0

### 8 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2019	2.315.024	593.379
Additions for the year	163.065	28.077
Disposals for the year	-1.835.121	-393.159
Cost at 31 December 2019	642.968	228.297
Impairment losses and depreciation at 1 January 2019	2.001.916	384.546
Depreciation for the year	143.113	9.864
Reversal of impairment and depreciation of sold assets	-1.694.369	-189.044
Impairment losses and depreciation at 31 December 2019	450.660	205.366
Carrying amount at 31 December 2019	192.308	22.931

### 9 RENT AND LEASE LIABILITIES

Operating lease liabilities.		
Total future lease payments:		
Within 1 year	0	844.344
Between 1 and 5 years	0	214.652

## NOTES

### 9 RENT AND LEASE LIABILITIES (CONTINUED)

	0	1.058.996
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### 10 CONTINGENT LIABILITIES

The company is jointly taxed with its parent company, Artefact Holding A/S (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2012 onwards as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment.

### 11 RELATED PARTIES AND OWNERSHIP STRUCTURE

#### Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Artefact Holding A/S

#### Consolidated financial statements

The company is included in the consolidated financial statements of the ultimate parent company

The group annual report of may be obtained at the following address:

Artefact S.A.  
Paris, France  
Reg.-nr./SIREN 418 267 704