

AKQA Denmark A/S

Staunings Plads 3, 1.
1607 Copenhagen V
Denmark

CVR no. 29 20 37 76

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

23 May 2023

Peter Bruun Nikolajsen

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of AKQA Denmark A/S for the financial year 1 January – 31 December 2022.

The annual report has been 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 23 May 2023
Executive Board:

Steffen Blauenfeldt Otkjær

Board of Directors:

Jonathan Neil Eggar
Chairman

Lasse Morell

Michelle Louise Paddon

Independent auditor's report

To the shareholders of AKQA Denmark A/S

Opinion

We have audited the financial statements of AKQA Denmark A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

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

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

Copenhagen, 23 May 2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56

Christina Nilsson
State Authorised
Public Accountant
mne44182

AKQA Denmark A/S
Annual report 2022
CVR no. 29 20 37 76

Management's review

Company details

AKQA Denmark A/S
Staunings Plads 3, 1.
1607 Copenhagen V
Denmark

CVR no.:	29 20 37 76
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Jonathan Neil Eggar, Chairman
Lasse Morell
Michelle Louise Paddon

Executive Board

Steffen Blauenfeldt Otkjær

Auditor

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S
CVR nr. 33 96 35 56

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
Key figures					
Revenue	174,790	140,397	157,266	131,406	120,335
Operating profit	26,249	19,645	32,728	18,003	20,088
Net financials	21	-144	-249	315	-208
Profit/loss for the year	20,485	15,201	25,325	14,274	15,478
Total assets	62,396	61,941	71,242	49,107	39,918
Equity	23,180	17,656	27,439	17,183	17,909
Investment in property, plant and equipment	1,990	614	1,367	1,237	4,023
Ratios					
Gross margin	68.8%	72.5%	81.0%	82.7%	79.9%
Operating margin	15.0%	14.0%	20.8%	13.7%	16.7%
Return on equity	100.3%	67.4%	113.5%	81.4%	102.0%
Solvency ratio	37.1%	28.5%	38.5%	35.0%	44.9%
Average number of full-time employees	137	124	133	136	116

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Operating review

Main activities

AKQA Denmark is a digital agency that offers innovative and creative solutions to help brands achieve their business objectives. With a focus on customer experience and design, AKQA Denmark has a strong track record of delivering successful campaigns across a range of industries, from consumer goods to technology.

What sets AKQA Denmark apart is its ability to combine technical expertise with a deep understanding of user behavior to create engaging digital experiences. The agency's team of talented designers, developers, and strategists work together to develop solutions that are both visually stunning and highly functional.

AKQA Denmark's commitment to excellence is reflected in its numerous awards and accolades, which include recognition for its work in website design, mobile apps, and social media campaigns. Overall, AKQA Denmark is a top-tier digital agency that provides innovative and effective solutions for brands looking to succeed in the digital space.

Development in activities and financial position

The Company's income statement for 2022 shows a profit of DKK 20,485,487 as against DKK 15,201,076 in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 23,180,136 as against DKK 17,655,688 at 31 December 2021.

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

AKQA has grown to become one of the world's most awarded digital agencies and is part of WPP which is the world's largest group of media and communications companies.

Profit for 2022 reached DKK 26,270k before tax. 2022 was better than expected, due to growth in some of the major client accounts.

Operating 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 a great extent, 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 that revenue and profit before tax will remain at the same level for the coming financial year.

Management's review

Operating review

Treasury shares

During the year, the Company has bought 4,928 own shares and sold 5,279 shares. The Company had 388 treasury shares at the end of the year.

	Number	Nom. DKK'000	% of contributed capital
Acquired treasury shares in the financial year	4,928	1	0.42
Sold treasury shares in the financial year	5,279	1	0.45
Treasury shares at 31 December 2022	388	1	0.03

	2022
Total acquisition cost	547,008
Total sales price	585,969

During the year, the Company acquired treasury shares due to the departure of a number of shareholders during the year. Treasury shares have been sold to multiple employees as an incentive measure to improve the value added to the Company.

Unusual circumstances

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

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.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2022	2021
Revenue		174,790,112	140,397,247
Cost of sales		-36,495,529	-21,983,531
Other external costs		-18,065,686	-16,686,681
Gross profit		120,228,897	101,727,035
Staff costs	2	-92,481,365	-80,439,349
Depreciation, amortisation and impairment losses	3	-1,498,699	-1,642,998
Profit before financial income and expenses		26,248,833	19,644,688
Financial income	4	332,604	58,938
Financial expenses		-311,643	-202,455
Profit before tax		26,269,794	19,501,171
Tax on profit for the year	5	-5,784,307	-4,300,095
Profit for the year	6	20,485,487	15,201,076

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2022	2021
ASSETS			
Fixed assets			
Property, plant and equipment	7		
Fixtures and fittings, tools and equipment		1,646,904	1,064,873
Leasehold improvements		<u>1,086,598</u>	<u>1,177,748</u>
		<u>2,733,502</u>	<u>2,242,621</u>
Investments	8		
Other securities and equity investments		49,370	49,370
Deposits		<u>787,906</u>	<u>460,797</u>
		<u>837,276</u>	<u>510,167</u>
Total fixed assets		<u>3,570,778</u>	<u>2,752,788</u>
Current assets			
Receivables			
Trade receivables		28,903,625	29,524,161
Receivables from group entities		10,921,180	13,778,674
Contract work in progress		11,727,984	1,482,499
Deferred tax asset	9	249,829	303,444
Prepayments	10	<u>62,500</u>	<u>200,332</u>
		<u>51,865,118</u>	<u>45,289,110</u>
Cash at bank and in hand		<u>6,959,823</u>	<u>13,898,939</u>
Total current assets		<u>58,824,941</u>	<u>59,188,049</u>
TOTAL ASSETS		<u>62,395,719</u>	<u>61,940,837</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,149,160	1,149,160
Retained earnings		2,030,976	1,506,528
Proposed dividends for the financial year		<u>20,000,000</u>	<u>15,000,000</u>
Total equity		<u>23,180,136</u>	<u>17,655,688</u>
Liabilities			
Non-current liabilities			
Other payables	12	<u>7,449,948</u>	<u>7,296,717</u>
Current liabilities			
Other credit institutions, current liabilities		87,593	157,030
Pre-invoicing, contract work in progress		3,631,104	6,224,643
Prepayments received from customers		1,958,887	2,466,007
Trade payables		3,320,644	3,435,254
Payables to group entities		8,882,178	7,311,837
Corporation tax		10,679	631,976
Other payables	12	<u>13,874,550</u>	<u>16,761,685</u>
		<u>31,765,635</u>	<u>36,988,432</u>
Total liabilities		<u>39,215,583</u>	<u>44,285,149</u>
TOTAL EQUITY AND LIABILITIES		<u>62,395,719</u>	<u>61,940,837</u>
Contractual obligations, contingencies, etc.			
	13		
Related party disclosures			
	14		
Disclosure of events after the balance sheet date			
	15		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2022	1,149,160	1,506,528	15,000,000	17,655,688
Purchase of treasury shares	0	-547,008	0	-547,008
Sale of treasury shares	0	585,969	0	585,969
Ordinary dividends paid	0	0	-15,000,000	-15,000,000
Profit for the year	0	485,487	20,000,000	20,485,487
Equity at 31 December 2022	1,149,160	2,030,976	20,000,000	23,180,136

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of AKQA Denmark A/S for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements for 2022 are presented in DKK.

A few changes have been made to the presentation of the Company's comparative figures for Other external expenses and Staff costs. These changes have no effect on the Company's income statement, total assets or equity

Omission of 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. (largest group), the Company has not prepared a cash flow statement.

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.

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.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Revenue

Revenue from the sale of licenses is recognised when the risks and rewards relating to the licenses sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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 completed 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.

Cost of sales

Cost of sales comprises indirect production costs and other costs to achieve the revenue for the year.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. Refunds from public authorities are deducted from staff costs.

Depreciation, amortisation and impairment losses

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

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

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

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Fixed asset investments, which consist of non-listed bonds and shares, are measured at cost.

Deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual contract work in progress. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to contract work in progress.

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

Contract work in progress is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of contract work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of contract work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise bank deposits.

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 group enterprises.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Prepayments received from customers

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

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Financial ratios

The financial ratios have been calculated as follows:

Gross margin

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Operating margin

$$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

Return on equity

$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Financial statements 1 January – 31 December

Notes

DKK	2022	2021
2 Staff costs		
Wages and salaries	82,313,533	70,772,730
Pensions	9,166,817	8,692,856
Other social security costs	1,001,015	973,763
	<u>92,481,365</u>	<u>80,439,349</u>
Average number of full-time employees	<u>137</u>	<u>124</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 b(3) of the Danish Financial Statements Act.		
3 Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	<u>1,498,699</u>	<u>1,642,998</u>
	<u>1,498,699</u>	<u>1,642,998</u>
4 Other financial income		
Interest income from group entities	51,485	0
Other financial income	<u>281,119</u>	<u>58,938</u>
	<u>332,604</u>	<u>58,938</u>
5 Tax on profit for the year		
Current tax for the year	5,730,692	4,332,001
Deferred tax for the year	<u>53,615</u>	<u>-31,906</u>
	<u>5,784,307</u>	<u>4,300,095</u>
6 Proposed profit appropriation		
Proposed dividends for the year	20,000,000	15,000,000
Retained earnings	<u>485,487</u>	<u>201,076</u>
	<u>20,485,487</u>	<u>15,201,076</u>

Financial statements 1 January – 31 December

Notes

7 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	6,728,489	3,996,428	10,724,917
Additions for the year	1,553,450	436,130	1,989,580
Disposals for the year	-438,617	0	-438,617
Cost at 31 December 2022	7,843,322	4,432,558	12,275,880
Depreciation and impairment losses at 1 January 2022	-5,663,616	-2,818,680	-8,482,296
Depreciation for the year	-971,419	-527,280	-1,498,699
Reversed depreciation and impairment losses on assets sold	438,617	0	438,617
Depreciation and impairment losses at 31 December 2022	-6,196,418	-3,345,960	-9,542,378
Carrying amount at 31 December 2022	1,646,904	1,086,598	2,733,502

8 Investments

DKK	Other securities and equity investments	Deposits	Total
Cost at 1 January 2022	49,370	460,797	510,167
Additions for the year	0	327,109	327,109
Cost at 31 December 2022	49,370	787,906	837,276
Carrying amount at 31 December 2022	49,370	787,906	837,276

9 Deferred tax assets

DKK	2022	2021
Deferred tax at 1 January	303,444	271,538
Deferred tax adjustment for the year in the income statement	-53,615	31,906
	249,829	303,444

10 Prepayments

Prepayments consist of prepaid expenses.

Financial statements 1 January – 31 December

Notes

11 Equity

The share capital consists of 1,149,160 shares of a nominal value of DKK 1 each.

All shares rank equally.

The Company holds a total of 388 shares with a nominal value of DKK 1 corresponding to 0,03% of the total capital.

DKK	<u>2022</u>	<u>2021</u>
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12 Non-current liabilities

Other payables

After 5 years	7,449,948	7,296,717
Other short-term payables	<u>13,874,550</u>	<u>16,761,685</u>
	<u>21,324,498</u>	<u>24,058,402</u>

Other payables (long-term) consist of frozen holiday pay to employees.

Other payables consist of VAT and duties, holiday pay obligation and wages and salaries payable.

13 Contractual obligations, contingencies, etc.

Rental and lease obligations

Rental and lease obligations	<u>2,025,496</u>	<u>2,079,284</u>
	<u>2,025,496</u>	<u>2,079,284</u>

Other contingent liabilities

The Company is party to one pending lawsuit against a former client. The final outcome of the case cannot be determined at present. Management assesses that it is not necessary to make a provision in this respect in the Financial Statements.

The Company is part of a joint taxation and is as such 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 WPP Holding Denmark A/S, which is the management company of the joint taxation. 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 unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Financial statements 1 January – 31 December

Notes

14 Related party disclosures

AKQA Denmark A/S' related parties comprise the following:

Control

Russell Square Holding BV, Laan op Zuid 167, Rotterdam, 3072 DB, Holland.

Russell Square Holding BV holds the majority of the contributed capital in the Company.

AKQA Denmark A/S is part of the consolidated financial statements of WPP Jubilee Limited, 18 Upper Ground, SE1 9GL, London, England, and the consolidated financial statements of WPP Plc., 13 Castle Street, St. Helier, JE1 1ES, Jersey, England, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of WPP Jubilee Limited can be obtained by contacting the Company at the address above.

The consolidated financial statements of WPP Plc. can be obtained at the following address: www.wppinvestor.com.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

15 Disclosure of 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.