

Blackwood Seven A/S

Livjærgade 17B, 3.
2100 Copenhagen Ø

CVR No. 32337422

Annual Report for 2022

The Annual General Meeting adopted the
annual report on _____



Dinesh Ambat Gopinath
Chairman of the 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 Blackwood Seven 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 matters discussed in the Management's review.

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

Copenhagen, _____

Executive Board



Henrik Richard Hasselbalch Busch



Thomas Christian Bertelsen

Board of Directors



Irene Oleander Iversen



Dinesh Ambat Gopinath



Christopher Michael Petranto

Independent auditor's report

To the shareholder of Blackwood Seven ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Blackwood Seven ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, _____

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Eskild Nørregaard Jakobsen
State Authorised Public Accountant
Identification No (MNE) mne11681

Eskild N. Jakobsen

Management's review

Company details

The Company

Blackwood Seven A/S
Livjærgade 17B, 3.
2100 Copenhagen Ø

CVR no: 32337422
Established: 15 April 2013
Registered office: Copenhagen
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Irene Oleander Iversen
Dinesh Ambat Gopinath
Christopher Michael Petranto

Executive Board

Henrik Richard Hasselbalch Busch
Thomas Christian Bertelsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Management's review

Operating review

Primary activities

Blackwood Seven A/S is a software company with a model engine by which advertisers will achieve optimal sales and marketing effects across all media channels through automated data modeling. By unifying the best performing strategic measuring approaches into one user friendly software platform powered by true A.I, we are challenging the traditional rigid, and one-dimensional approach to measuring media.

Development in activities and financial position

This year's results come to a loss of DKK 18,633 thousand compared to a loss last year of DKK 11,909 thousand. Management considers the performance in line with expectations given that the Company is still at a stage of development. Equity is DKK 1,834 thousand at the balance sheet date compared to DKK (10,206) thousand by 31 December 2021.

The Company has lost more than 50% of the contributed capital and is subject to the capital loss provisions in the Danish Companies Act. Management expects to reestablish the capital base through future earnings.

Kantar Group Holdings Ltd. has pledged financial support if needed in the coming financial year and the annual report is presented on a going concern basis.

Financial statements 1 January - 31 December

Income statement

DKK	Note	2022	2021
Revenue		23,110,592	16,787,755
Other external expenses		(8,516,377)	(4,485,579)
Gross profit		14,594,215	12,302,176
Staff costs	2	(25,242,764)	(13,805,576)
Amortisation		(8,335,732)	(10,013,754)
Operating loss		(18,984,281)	(11,517,154)
Income from investments in group enterprises		0	(48,785)
Other financial income	3	192,770	153,147
Other financial expenses	4	(4,141,329)	(2,781,651)
Loss before tax		(22,932,840)	(14,194,443)
Tax on loss for the year		4,299,730	2,285,435
Loss for the year		<u>(18,633,110)</u>	<u>(11,909,008)</u>
Proposed distribution of loss:			
Retained earnings		(18,633,110)	(11,909,008)
Proposed distribution of loss		<u>(18,633,110)</u>	<u>(11,909,008)</u>

Financial statements 1 January - 31 December

Balance sheet

DKK	Note	2022	2021
ASSETS			
Fixed assets			
Intangible assets			
Completed development projects		6,886,884	15,222,616
Total intangible assets	5	6,886,884	15,222,616
Financial assets			
Investments in group enterprises		201,738	201,738
Deposits		165,977	158,246
Total financial assets	6	367,715	359,984
Total fixed assets		7,254,599	15,582,600
Current assets			
Receivables			
Trade receivables		1,612,222	2,168,566
Other receivables		0	32,931
Income tax receivable		0	2,305,756
Joint taxation contribution receivable		4,299,730	0
Prepayments		277,480	824,748
Total receivables		6,189,432	5,332,001
Cash		2,831,976	5,125,845
Total current assets		9,021,408	10,457,846
TOTAL ASSETS		16,276,007	26,040,446

Financial statements 1 January - 31 December

Balance sheet

DKK	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		89,190,319	89,190,319
Reserve for development expenditure		5,371,770	11,873,640
Retained earnings		(92,727,736)	(111,270,438)
Total equity		1,834,353	(10,206,479)
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables		6,266,908	13,547,699
Total non-current liabilities other than provisions	7	6,266,908	13,547,699
Current liabilities other than provisions			
Current portion of non-current liabilities other than provisions	7	0	15,150,094
Trade payables		430,473	280,505
Payables to group enterprises		215,036	255,901
Other payables		3,424,452	3,511,288
Deferred income		4,104,785	3,501,438
Total current liabilities other than provisions		8,174,746	22,699,226
Total liabilities other than provisions		14,441,654	36,246,925
TOTAL EQUITY AND LIABILITIES		16,276,007	26,040,446
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Events after the balance sheet date	10		

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2022	89,190,319	11,873,640	(111,270,438)	(10,206,479)
Transfer to reserves	0	(6,501,870)	6,501,870	0
Profit/loss for the year	0	0	(18,633,110)	(18,633,110)
Group contribution	0	0	30,673,942	30,673,942
Equity at 31 December 2022	89,190,319	5,371,770	(92,727,736)	1,834,353

Financial statements 1 January - 31 December

Notes

1 Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of services 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.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, etc for entity staff.

Amortisation and impairment losses

Amortisation and impairment losses relating to intangible assets comprise amortisation 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 intangible assets.

Financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Other taxes

The item includes tax amounts calculated on a basis other than income for the year, which are not refunded to the Entity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years. Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Financial statements 1 January - 31 December

Notes

2 Staff costs

DKK	2022	2021
Wages and salaries	24,512,885	20,946,545
Pension costs	3,800	0
Other social security costs	253,076	232,046
Other staff costs	473,003	260,047
	<u>25,242,764</u>	<u>21,438,638</u>
Staff costs classified as assets	0	(7,633,062)
	<u>25,242,764</u>	<u>13,805,576</u>
Average number of employees	<u>32</u>	<u>31</u>

3 Other financial income

DKK	2022	2021
Exchange rate adjustments	192,770	153,147
	<u>192,770</u>	<u>153,147</u>

4 Other financial expenses

DKK	2022	2021
Other interest expenses	14,372	50,311
Exchange rate adjustments	3,855,430	148,742
Other financial expenses	271,527	2,582,598
	<u>4,141,329</u>	<u>2,781,651</u>

Financial statements 1 January - 31 December

Notes

5 Intangible assets

DKK	Completed development projects
Cost at 1 January 2022	100,281,659
Cost at 31 December 2022	100,281,659
Amortisation and impairment losses at 1 January 2022	(85,059,043)
Amortisation for the year	(8,335,732)
Amortisation and impairment losses at 31 December 2022	(93,394,775)
Carrying amount at 31 December 2022	6,886,884

The Blackwood Seven platform, including features for data collection and storage, for data analysis, predictive modeling, and media buying, is our Company's most significant intangible asset. The cost of having developed it mainly comprises man-hours spent by our internal staff supplemented by significant resources spent on external expert consultants. The Engineering and Product Management regularly assess the value of this asset based on the future market potential and our growth expectations. Due to change in the development process after joining Kantar, no further development costs have occurred.

6 Financial assets

DKK	Investments in group enterprises	Deposits	Total
Cost at 1 January 2022	48,331,547	158,246	48,489,793
Additions	0	7,731	7,731
Cost at 31 December 2022	48,331,547	165,977	48,497,524
Impairment losses at 1 January 2022	(48,129,809)	0	(48,129,809)
Impairment losses at 31 December 2022	(48,129,809)	0	(48,129,809)
Carrying amount at 31 December 2022	201,738	165,977	367,715

Financial statements 1 January - 31 December

Notes

7 Non-current liabilities other than provisions

DKK	Total debt at 31/12/2022	Outstanding debt after 5 years
Other payables	6,266,908	0
	<u>6,266,908</u>	<u>0</u>

8 Contractual obligations, contingencies, etc.

Contingent liabilities

The Danish 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 by the Group amounts to TDKK 0. Moreover, the Danish 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.

There are no other security and contingent liabilities at 31 December 2022.

Lease obligations

The Company has entered into operating leases at the following amounts:

The remaining term of the leases is 6 months with an average monthly lease payment of DKK 55 thousand, totalling DKK 332 thousand.

9 Related parties

Blackwood Seven A/S related parties comprise the following:

Control

Blackwood Seven A/S is 100% owned by Taylor Nelson Sofres B.V., Laan op Zuid 167, 3072 DB Rotterdam, The Netherlands and is ultimately a 60% owned subsidiary of Bain Capital Investors LLC, 200 Clarendon Street Boston, MA 02116 United States of America.

10 Events after the balance sheet date

The company's subsidiary, Blackwood Seven GmbH in Germany has been liquidated in May 2023.

Verifikation

Transaktion 09222115557496334735







Dokument

Annual Report 2022_DK_Kantar_Blackwood Seven AS
Hoveddokument
17 sider
Påbegyndt 2023-07-06 13:38:16 CEST (+0200) af
Henriette Bager (HB)
Færdiggjort 2023-07-06 18:28:36 CEST (+0200)

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Signerende parter

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