



Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

MCCANN COPENHAGEN APS
BORGERGADE 14 5., 1300 KØBENHAVN K
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 9 July 2021**

Adam Tobias Henning Smidth-Fibiger

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 37 32 37 48

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Board of Directors Statement and Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12-13
Accounting Policies.....	14-17

COMPANY DETAILS

Company	McCann Copenhagen ApS Borgergade 14 5. 1300 Copenhagen K CVR No.: 37 32 37 48 Established: 9 December 2015 Registered Office: Copenhagen Financial Year: 1 January - 31 December
Board of Directors	Adam Tobias Henning Smidth-Fibiger Maja Antic Srdjan Saper
Executive Board	Adam Tobias Henning Smidth-Fibiger
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Law Firm	IUNO Advokatpartnerselskab Njalsgade 19C 2300 Copenhagen

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of McCann Copenhagen ApS for the financial year 1 January - 31 December 2020.

The Annual Report is presented 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 7 July 2021

Executive Board

Adam Tobias Henning Smidth-
Fibiger

Board of Directors

Adam Tobias Henning Smidth-
Fibiger

Maja Antic

Srdjan Saper

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of McCann Copenhagen ApS

Opinion

We have audited the Financial Statements of McCann Copenhagen ApS for the financial year 1 January - 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at **31 December 2020** and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

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:

- 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.

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 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.

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, 7 July 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Iben Larsen
State Authorised Public Accountant
MNE no. mne34474

MANAGEMENT COMMENTARY

Principal activities

McCann Copenhagen including the brand McCann Health Nordic is an international lead-agency that make brands play a meaningful role in people's lives.

McCann works with two different core areas:

McCann Copenhagen is a strategic and creative brand-agency that includes advanced capabilities within analysis, business development and brand development.

McCann Health Nordic is a strategic Health- and pharma agency that exclusively works with strategic and scientific based marketing and brand communications for some of the world's biggest Health, Pharma and Med-Tech companies - both in Denmark and abroad.

Development in activities and financial and economic position

During the year under review, the company generated a Gross Profit of DKK 19.374 thousand. Net loss for the financial year was DKK 2.140 thousand and equity capital amounted to DKK -1.451 thousand as at 31 December 2020.

2020 has been a challenging year especially due to the Covid-19 pandemic. Many clients have been holding back on key projects or postponed initiatives which has led to a lower business volume than initially forecasted for the year.

It is key for McCann to retain the best possible talents and although certain cost saving measures were taken to mitigate loss, it was a strategic priority to keep the best talents throughout the pandemic although it resulted in a loss.

The expectations for 2021 are positive as the world is opening up again.

Significant events after the end of the financial year

There have been no significant events after the balance sheet date that have had a significant effect on the assessment of the Annual Report.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT		19.373.724	21.170.618
Staff costs.....	1	-20.122.881	-21.605.082
Depreciation, amortisation and impairment losses.....		-1.210.634	-159.054
OPERATING LOSS		-1.959.791	-593.518
Other financial income.....	2	3.717	0
Other financial expenses.....	3	-183.438	-119.626
LOSS BEFORE TAX		-2.139.512	-713.144
Tax on profit/loss for the year.....		0	0
LOSS FOR THE YEAR		-2.139.512	-713.144
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-2.139.512	-713.144
TOTAL		-2.139.512	-713.144

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Intangible fixed assets acquired.....		146.444	0
Intangible assets.....	4	146.444	0
Land and buildings.....		1.077.599	0
Other plant, machinery tools and equipment.....		353.385	241.859
Property, plant and equipment.....	5	1.430.984	241.859
Rent deposit and other receivables.....		436.872	429.826
Financial non-current assets.....	6	436.872	429.826
NON-CURRENT ASSETS.....		2.014.300	671.685
Trade receivables.....		9.546.674	10.776.604
Contract work in progress.....	7	590.177	267.193
Receivables from group enterprises.....		406.718	7.605
Other receivables.....		0	20.362
Prepayments.....		92.958	71.992
Receivables.....		10.636.527	11.143.756
Cash and cash equivalents.....		7.024.525	3.480.555
CURRENT ASSETS.....		17.661.052	14.624.311
ASSETS.....		19.675.352	15.295.996

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....		50.000	50.000
Retained earnings.....		-1.500.672	638.840
EQUITY.....		-1.450.672	688.840
Lease liabilities.....		1.087.761	0
Payables to group enterprises.....		0	1.866.376
Accruals and deferred income.....		1.424.503	638.804
Non-current liabilities.....	8	2.512.264	2.505.180
Lease liabilities.....		114.516	0
Contract work in progress.....	7	8.037.548	6.605.953
Trade payables.....		3.168.572	2.255.687
Debt to Group companies.....		2.081.168	347.380
Other liabilities.....		5.211.956	2.892.956
Current liabilities.....		18.613.760	12.101.976
LIABILITIES.....		21.126.024	14.607.156
EQUITY AND LIABILITIES.....		19.675.352	15.295.996
Contingencies etc.	9		
Charges and securities	10		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2020.....	50.000	638.840	688.840
Proposed profit allocation.....		-2.139.512	-2.139.512
Equity at 31 December 2020.....	50.000	-1.500.672	-1.450.672

NOTES

	2020 DKK	2019 DKK	Note
Staff costs			1
Average number of employees	29	34	
Wages and salaries.....	19.559.869	20.860.397	
Pensions.....	150.947	271.830	
Social security costs.....	185.363	251.155	
Other staff costs.....	226.702	221.700	
	20.122.881	21.605.082	
Other financial income			2
Group enterprises.....	3.717	0	
	3.717	0	
Other financial expenses			3
Group enterprises.....	38.594	57.566	
Other interest expenses.....	144.844	62.060	
	183.438	119.626	
Intangible assets			4
		Intangible fixed assets acquired	
Additions.....		146.444	
Cost at 31 December 2020.....		146.444	
Carrying amount at 31 December 2020.....		146.444	
Property, plant and equipment			5
		Land and buildings	Other plant, machinery tools and equipment
Cost at 1 January 2020.....	0		496.944
Additions.....	2.089.860		309.898
Cost at 31 December 2020.....	2.089.860		806.842
Depreciation and impairment losses at 1 January 2020.....	0		255.085
Depreciation for the year.....	1.012.261		198.372
Depreciation and impairment losses at 31 December 2020...	1.012.261		453.457
Carrying amount at 31 December 2020.....	1.077.599		353.385
Finance lease assets.....	1.077.599		119.807

NOTES

				Note
Financial non-current assets				6
			Rent deposit and other receivables	
Cost at 1 January 2020.....			429.826	
Additions.....			17.374	
Disposals.....			-10.328	
Cost at 31 December 2020.....			436.872	
Carrying amount at 31 December 2020.....			436.872	
		2020 DKK	2019 DKK	
Contract work in progress				7
Sales value of completed work.....	94.019.514		81.963.435	
Progress invoicing/advances received.....	-101.466.885		-88.302.195	
Contract work in progress, net.....	-7.447.371		-6.338.760	
This is recognized as follows:				
Contract work in progress (asset).....	590.177		267.193	
Contract work in progress (liability).....	-8.037.548		-6.605.953	
	-7.447.371		-6.338.760	
Long-term liabilities				8
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Lease liabilities.....	1.202.277	114.516	0	0
Payables to group enterprises.....	1.904.969	1.904.969	0	1.866.376
Frozen holiday pay.....	1.424.503	0	0	638.804
	4.531.749	2.019.485	0	2.505.180
Contingencies etc.				9
Contingent liabilities				
None. Leasing liabilities is recognised in the balance sheet per 31/12 2020.				
Charges and securities				10
None.				

ACCOUNTING POLICIES

The Annual Report of McCann Copenhagen ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year, except for the following changes.

Change in accounting policies and classification

The accounting policies have been changed in the following areas:

- Adoption of IFRS 16 leases for 2020; As of 1 January 2020, the company has adopted the provision of "IFRS 16 Leases" under the Financial Statement Act (Danish GAAP), applying the modified retrospective approach. Therefore the cumulative effect of initially applying the Standard has been recognised at the date of initial application in 2020, and the comparative figures for 2019 have not been restated.

"IFRS 16 Leases" sets out the principles for the recognition, measurement, presentation and disclosures of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The Financial Statement Act does not require presentation according to IFRS to comply.

- In connection with the above the company has as of 1 January 2020, adopted the provision of "IFRS 15 Revenue from Contracts with Customers under the Financial Statement Act (Danish GAAP). The cumulative effect of initially applying the Standard has been recognised at the date of initial application in 2020, and the comparative figures for 2019 have not been restated.

Consolidated Financial Statements

The company is included in the consolidated financial statements of I&F Holding AB, Box 16285, 103 25 Stockholm, Sweden.

INCOME STATEMENT

Net revenue

The company applies the recognition and measurement provisions in IFRS 15, where net revenue reflects the value of the goods and services that the company has transferred to its customers in the financial year adjusted for expected estimates for postpaid discounts, refunds, etc. By transfer is meant that the customer has taken control of, or has continuously consumed, the item that has been the subject of an identified delivery obligation, by transfer of both the right to decide on the use of the product or service and the right to its economic benefits.

The company's performance obligations are identified on the basis of the commitments made by the company in the customer agreements entered into and in its business practices for supplementary goods or services that are not directly stated in the agreements. If an agreement with associated business practices includes several goods or services, these are grouped into separate delivery obligations by an assessment of the scope of the transformation process and interdependencies.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts and operating lease expenses, etc.

ACCOUNTING POLICIES

Staff costs

Staff costs comprise wages and salaries, including holiday pay, pensions, and other costs for social security etc., for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities, as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the Income Statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Acquired software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over the expected useful life which is estimated to 3 years.

Tangible fixed assets

Land and buildings and other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Buildings.....	2 years
Other plant, fixtures and equipment.....	3-5 years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Lease contracts

All agreements, including lease agreements, where the company for a period has the right to control the use of an identified asset, are treated as leases. By control is meant that the company can make the most important decisions about how and for what the asset is to be used, and at the same time gain access to the most significant financial benefits of the asset during the leasing period.

Leasing agreements with an expected term of more than one year are recognized in the balance sheet with a leasing obligation and a right of use asset when the company becomes available for the asset.

Leasing obligations are recognized and measured at the present value of the future leasing services as well as any expected payments regarding residual value guarantees or purchase options. Future lease payments include, in addition to fixed payments, variable payments based on an index or a rate.

Discounting takes place through the application of the agreement's internal interest rate. Alternatively, the interest that the company should have paid on borrowing funds is used for a similar asset with the same term as the expected leasing period and with the asset as collateral.

The right of use asset is measured on initial recognition at an amount corresponding to the lease obligation on initial recognition with the addition of prepaid services, direct costs incurred by the company and provisions for dismantling, disposal or restoration of the asset.

Subsequently, the leasing obligation is measured by accruing interest and deduction of paid services. The right of use asset is depreciated over the expected useful life and is written down in the event of impairment.

The company has chosen not to separate components of services that constitute payment for services received.

In the case of short-term leasing agreements with an expected term of 12 months or less, as well as leasing agreements where the underlying asset has a low value, leasing services are recognized on a straight-line basis over the leasing period as an operating expense in the income statement.

Fixed asset investments

The portfolio of mortgage deeds includes mortgages that are expected to be held to maturity and are measured at amortised cost.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

ACCOUNTING POLICIES

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.