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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 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 11 July 2022

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

COMPANY DETAILS

Company	McCann Copenhagen ApS Borgergade 14 5. 1300 Copenhagen K	
	CVR No.:	37 32 37 48
	Established:	9 December 2015
	Municipality:	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	

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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 11 July 2022

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 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management Commentary
Management is responsible for Management Commentary.

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

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 11 July 2022

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 19,317 thousand. Net loss for the financial year was DKK 3,622 thousand and equity capital amounted to DKK -5,073 thousand as at 31 December 2021.

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 2022 are positive as the world continues to open up again after the Covid-19 pandemic.

The company has received a letter of support from the parent company, I&F Holding AB, which secures operations in the company and the parent company will provide sufficient funds to fulfill the company's financial obligations as they fall due.

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	2021 DKK	2020 DKK
GROSS PROFIT		**19.317.172**	**19.373.724**
Staff costs	1	-21.196.901	-20.122.881
Depreciation, amortisation and impairment losses		-1.198.881	-1.210.634
OPERATING LOSS		**-3.078.610**	**-1.959.791**
Other financial income	2	12.851	3.717
Other financial expenses	3	-137.282	-183.438
LOSS BEFORE TAX		**-3.203.041**	**-2.139.512**
Tax on profit/loss for the year	4	-419.188	0
LOSS FOR THE YEAR		**-3.622.229**	**-2.139.512**

PROPOSED DISTRIBUTION OF PROFIT

Retained earnings		-3.622.229	-2.139.512
TOTAL		**-3.622.229**	**-2.139.512**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2021 DKK	2020 DKK
Intangible fixed assets acquired		166.069	146.444
Intangible assets	5	**166.069**	**146.444**
Land and buildings		1.055.957	1.077.599
Other plant, machinery tools and equipment		121.840	353.385
Property, plant and equipment	6	**1.177.797**	**1.430.984**
Rent deposit and other receivables		475.195	436.872
Financial non-current assets	7	**475.195**	**436.872**
NON-CURRENT ASSETS		**1.819.061**	**2.014.300**
Trade receivables		8.620.986	9.546.674
Contract work in progress	8	2.606.910	590.177
Receivables from group enterprises		1.445.801	406.718
Other receivables		135.407	0
Prepayments		108.690	92.958
Receivables		**12.917.794**	**10.636.527**
Cash and cash equivalents		**7.497.724**	**7.024.525**
CURRENT ASSETS		**20.415.518**	**17.661.052**
ASSETS		**22.234.579**	**19.675.352**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2021 DKK	2020 DKK
Share capital		50.000	50.000
Retained earnings		-5.122.901	-1.500.672
EQUITY		**-5.072.901**	**-1.450.672**
Lease liabilities		57.310	114.516
Frozen holiday pay		1.424.506	1.424.503
Non-current liabilities	9	**1.481.816**	**1.539.019**
Lease liabilities		991.609	1.087.761
Contract work in progress	8	10.918.321	8.037.548
Trade payables		3.771.125	3.168.572
Debt to Group companies		553.254	2.081.168
Corporation tax payable		419.188	0
Other liabilities		9.172.167	5.211.956
Current liabilities		**25.825.664**	**19.587.005**
LIABILITIES		**27.307.480**	**21.126.024**
EQUITY AND LIABILITIES		**22.234.579**	**19.675.352**

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EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2021	50.000	-1.500.672	-1.450.672
Proposed profit allocation		-3.622.229	-3.622.229
Equity at 31 December 2021	**50.000**	**-5.122.901**	**-5.072.901**

NOTES

	2021 DKK	2020 DKK	Note
Staff costs			1
Average number of employees	29	29	
Wages and salaries	20.540.365	19.559.869	
Pensions	163.705	150.947	
Social security costs	213.577	185.363	
Other staff costs	279.254	226.702	
	21.196.901	**20.122.881**	
Other financial income			2
Group enterprises	12.851	3.717	
	12.851	**3.717**	
Other financial expenses			3
Group enterprises	25.113	38.594	
Other interest expenses	112.169	144.844	
	137.282	**183.438**	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year	419.188	0	
	419.188	**0**	

Intangible assets 5

	Intangible fixed assets acquired
Cost at 1 January 2021	146.444
Additions	19.625
Cost at 31 December 2021	**166.069**
Carrying amount at 31 December 2021	**166.069**

NOTES

Note

Property, plant and equipment — 6

	Land and buildings	Other plant, machinery tools and equipment
Cost at 1 January 2021	2.089.860	806.842
Additions	925.651	20.043
Cost at 31 December 2021	**3.015.511**	**826.885**
Depreciation and impairment losses at 1 January 2021	1.012.261	453.457
Depreciation for the year	947.293	251.588
Depreciation and impairment losses at 31 December 2021	**1.959.554**	**705.045**
Carrying amount at 31 December 2021	**1.055.957**	**121.840**
Finance lease assets	1.055.957	14.692

Financial non-current assets — 7

	Rent deposit and other receivables
Cost at 1 January 2021	436.871
Additions	38.324
Cost at 31 December 2021	**475.195**
Carrying amount at 31 December 2021	**475.195**

	2021 DKK	2020 DKK	Note
Contract work in progress			8
Sales value of completed work	36.982.259	94.019.514	
Progress invoicing/advances received	-43.826.772	-101.466.885	
Manual write-off	-2.411.585	0	
Manual adjustment	944.687	0	
Contract work in progress, net	**-8.311.411**	**-7.447.371**	
This is recognized as follows:			
Contract work in progress (asset)	2.606.910	590.177	
Contract work in progress (liability)	-10.918.321	-8.037.548	
	-8.311.411	**-7.447.371**	

NOTES

Note

Long-term liabilities 9

	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Lease liabilities..................................	57.310	0	0	114.516
Frozen holiday pay...............................	1.424.506	0	0	1.424.503
	1.481.816	**0**	**0**	**1.539.019**

Contingencies etc. 10

Contingent liabilities
None. Leasing liabilities is recognised in the balance sheet per 31/12 2021.

Charges and securities 11
None.

Prequision for continued operation 12
The company has received a letter of support from the parent company, I&F Holding AB, which secures operations in the company and the parent company will provide sufficient funds to fulfill the company's financial obligations as they fall due.

Consolidated Financial Statements 13
The company is included in the consolidated financial statements of
I&F Holding AB
Box 16285,
103 25 Stockholm
Sweden.

ACCOUNTING POLICIES

The Annual Report of McCann Copenhagen ApS for 2021 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.

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.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

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.

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.

ACCOUNTING POLICIES

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.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Financial non-current assets
Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

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.

ACCOUNTING POLICIES

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.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

Prepayments
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.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.