Dentsu Danmark A/S

Overgaden Neden Vandet 7, 1414 København K

CVR no. 58 22 78 11

Annual report 2022

Approved at the Company's annual general meeting on 14 July 2023

Chair of the meeting:

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Caper Haagen Loch Henriksen

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Dentsu Danmark 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of their operations and consolidated cash flows 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 Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

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

Copenhagen, 14 July 2023
Executive Board:

Ulrik Petersen

Board of Directors:

Casper Haagen Loch Henriksen Chair	Aida Radmilovic	Christina Hvashøj Schaarup
Ulrik Petersen	Kristian Koch Jensen	

Independent auditor's report

To the shareholder of Dentsu Danmark A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Dentsu Danmark A/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows 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 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

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, 14 July 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorized Public Accountant
mne32271

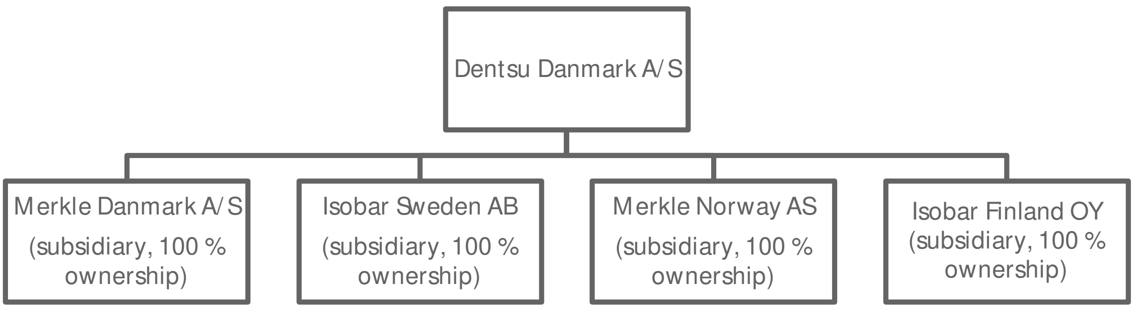
Management's review

Financial highlights for the Group

DKK000	2022	2021	2020	2019	2018*
Key figures					
Revenue**	781,929	673,453	506,752	518,955	192,865
Operating profit/loss	82,331	81,193	44,396	33,711	30,621
Net financials	362	-32,588	-4,376	426	295
Profit/loss for the year	55,164	21,829	20,221	16,751	42,210
Total assets	888,493	1,150,816	984,498	1,010,648	691,632
Investments in property, plant and equipment	2,855	3,027	2,868	4,574	3,197
Equity	297,310	243,857	253,355	261,282	259,069
Cash flows from operating activities	35,152	163,986	42,153	62,838	n/a
Cash flows from investing activities	-139,958	-57,079	-22,117	-78,060	n/a
Cash flows from financing activities	-8,730	8,534	-36,196	112,731	n/a
Total cash flows	-113,536	115,441	-16,160	97,509	n/a
Financial ratios					
Operating margin	10.5 %	12.1 %	8.8 %	6.5 %	15.9 %
Gross margin	78.0 %	76.1 %	76.2 %	74.1 %	76.6 %
Equity ratio	33.5 %	20.2 %	24.4 %	24.7 %	37.5 %
Return on equity	20.1 %	8.0 %	7.5 %	2.5 %	24.5 %
Average number of full-time employees	**637**	**558**	**533**	**529**	**247**

* The financial highlights for 2018 does only include the parent company.
** Principles for revenue recognition have been changed, cf. accounting policy, page 16

Group structure:



Management's review

Business Review

The Group's primary activities are media, digital and communication activities, with special competences within media, data, marketing technologies, commerce, analyitics research, digital, sponsoring and experience marketing.

The objective of the Group is to assist its clients in achieving business growth through effective and innovative use of media and other marketing activities.

The Group is working with a number of international and Danish entities.

Financial review

The income statement for 2022 for the parent company shows a profit of DKK 124,893 thousand against a profit of DKK 38,417 thousand last year. The 2022 result includes income from investments of DKK 77,301 thousand against DKK 57,006 in 2021. As per 31 December 2022, the balance sheet shows an equity of DKK 332,969 thousand.

In 2022, the group generated a profit of DKK 55,164 thousand versus DKK 21,829 thousand in 2021. The equity increased from DKK 243,857 thousand as per 31 December 2021 to DKK 297,310 as per 31 December 2022, which is caused by the result for 2022.

Management considers both the Group's and the parent company's financial performance in the year satisfactory and outperforming the outlook set in the annual report last year. The growth compared to 2021 is driven by a combination of existing client buying more services as well as a number of new clients to the business.

In 2022, the parent company has bought the remaining outstanding shares in subsidiaries and therefore is no longer minorities in the Group. The purchase price did not differ significantly for what was already recognized as of 31 December 2021.

In late 2022, the company merged with its subsidiary Isobar Nordics A/S in an upstream merger with a full-year accounting effect. Isobar Nordics A/S' only activity was as a financial holding company, now Dentsu Danmark A/S is holding the subsidiaries directly. Following the merger the company sold the subsidiaries Isobar Sweden AB, Merkle Norway AS and Isobar Finland Oy in Q2 2023 to a Dentsu company in each of the markets. All were sold at a higher price than the book value as of 31 December 2022, hence creating an extraordinary income (around DKK 70,000 thousand in the parent company and around DKK 85,000 thousand in the Group) which will be recognised in **2023.**
Principles for revenue recognition have been changed, cf. accounting policy, page 17.

Knowledge resources

The Group makes a great effort to motivate and develop its staff, believing that committed and responsible staff who wants to make a difference is perceived positively by the clients, which has a positive influence on the financial results. The Company emphasises value-based management, the key elements of which include open, honest and direct communication, a sense of responsibility, cost awareness and the will to win.

Impact on the external environment

In carrying on trade, both the Group and parent company considers and seeks to reduce the environmental impact of its operations, and it is very concerned with making its business relates to waste disposal, electricity consumption, paper etc. The direct and indirect efforts to protect the environment. The main environmental impact of environmental impact is limited. Efforts are made to sell obsolete IT equipment and empty toner cartridges to authorised waste processors or sell such equipment for reuse. The Group and parent company expects to increase the focus on limiting our environmental and climate impact in the years to come as this is a priority to us, underpinned by our

Management's review

investment in projects such as The Sustainability Academy, a program for both clients and partners to increase awareness of the impact of working sustainable.

Statutory CSR report

The company's business model is to sell consulting and expertise to our clients, which makes our employees essential for our success. Therefore, our employees are also a key asset within our CSR efforts.

Double materiality

The management has considered each of the five policy areas in scope for §99a from a double materiality point of view, in the following describing how the company has tried to limit the negative impacts its actions have on the wider society as well as ensuring that as many actions as possible have a positive societal impact. When applicable, the company has also described below how events /actions from society have impacted the company negatively.

Continuity

While adjusting for new requirement, the company has strived to keep as much continuity is how we present our policies and results year by year, making it easier for the reader to follow key trends.

Working environment

The Group considers our employees our most important asset. Therefore, it is essential for the company not only to ensure a safe and healthy working environment, but also to make sure that our employees are continuously developed in such a manner that their competences stays both up-to-date and relevant. Besides measuring employee satisfaction, the company also measures employee well- being on an annual basis and follows up with relevant initiatives in order to ensure as high a well-being as possible. In 2022 the focus has been on continuing to ensure that people can work in a way that suits both themselves and the company as the new reality of hybrid-working becomes the norm following the pandemic.

The most relevant risks related to workers conditions are to find the right balance in a fast-pace changing environment and to make sure that the future demands from clients are matches by competences of our people.

In 2022 the surveys regarding employee satisfaction and wellbeing in Danmark once again showed that the group outperformed the peer group.

In 2023 we plan to continue these initiatives and will repeat the same surveys as in 2022.

While ensuring a safe and healthy working environment is pivotal for our business, it is not possible to measure the exact impact of this on our financial results, neither in regard to revenue nor costs.

Environment & Climate

The Group recognizes its obligation as a global organization and are working to implement ambitious initiatives that cover the entire value chain.

Globally the Group has committed to reduce absolute emissions by at least 46.2%by 2030, and at a long-term scale the company will reduce absolute emissions by at least 90%by 2040. The remaining emissions (10%) will be neutralized through credible and verifiable greenhouse gas emissions removal projects. This is in line with the Paris Agreement, that calls for all global emissions to be halved by 2030 and for Net Zero to be achieved by 2050. The goals and calculations have been approved of the SBTi. The Danish part of the group of course supports this initiative. This means that Dentsu is part of a growing number of companies with high ambitions on behalf of the climate. The purpose is to avoid an increase in temperature of more than 1,5°C to limit the negative effect of climate change. As part of our focus on climate change, we have since 2019 only used renewable energy in all our Danish offices and will continue to do so. Throughout 2022 the Group has launched multiple initiatives to support this ambition. For an instance Dentsu employees are urged to be more thoughtful in their consumption of office supplies, there is focus on food waste across all offices, use of electricity, and from an IT-perspective the company always aims to pick suppliers that offer more sustainable solutions and

Management's review

products. The continuous focus on limiting the energy consumption in 2022 led to a reduction in emissions and more efficient use of resources per employee when measured on the kwH usage per employee.

While the actions described above have increased our costs, this is not by an amount that is material to the overall financial results achieved by the company in 2022. The costs are both arising from higher prices on renewable energy as well as the man-hours invested in the other described actions.

Human rights & Anti-corruption

As a company Dentsu respects and supports human rights as defined in international treaties. This is made clear in of Code of Conduct. In Denmark the local management sees the risk of any breaches of human rights as very low, therefore no additional policies are developed beyond what is stated in our Code of Conduct.

Dentsu does not tolerate corruption. Besides the fact that this is made very clear in our Code of Conduct, all employees must complete a mandatory training course in anti-corruption on an annual basis. The company also has an anonymous whistle-blower hotline, Speak-Up, where employees can reach out to if they see any behaviour that does not match our Code of Conduct. The most significant risk for corruption is if our employees doesn't act according to our Code of Conduct.

In 2021, more than 90%of all staff have actively confirmed the Code of Conduct and more than 90% have also completed the anti-corruption training. That these figures are below 100%is caused by an on-going churn of staff, and as new employee you have a period within which you need to complete the trainings. In 2021 there has been no recorded nor identified breaches of the Code of Conduct and there have been no reports regarding corruption via the whistleblower solution.

In 2022, more than 90%of all staff have actively confirmed the Code of Conduct and more than 90% have also completed the anti-corruption training. That these figures are below 100%is caused by an on-going churn of staff, and as new employee you have a period within which you need to complete the trainings. In 2022 there has been no recorded nor identified breaches of the Code of Conduct and there has been no reports regarding corruption via the whistleblower solution.

In 2023 we plan to continue the listed initiatives and it will remain mandatory for all employees to confirm our Code of Conduct as well as complete anti-corruption training.

While the actions described above have increased our costs, this is not by an amount that is material to the overall financial results achieved by the company in 2022. The costs are arising mainly from the man-hours invested in the described actions.

Other social initiatives

<u>The Code</u>
Besides the already mentioned initiatives, the company has a clear wish to contribute positively to the wider society. An area which is very important to us is young people optimism to be part of the digital economy. In the future many jobs will require knowledge about the digital development, data and technology. Still, we see that many young people don't feel they have the right skills within these areas. Therefore we have launched The Code. Through The Code we offer and create the opportunity for children and young adults to acquire additional skills within digital marketing, data, technology and communication. We offer our knowledge and expertise within these areas pro-bono to elementary schools, high schools and higher education institutions who has an interest in adding a more practical perspective in the education. Besides these sessions, we host talks, seminars, and case-competitions for students to ensure that they feel equipped and optimistic about participating in the digital economy. In 2022 the Group in Denmark once again reached more than 1.000 young students with varies sessions, seminars etc. across all age groups.

Each year we have a number of initiatives focusing on giving back to society. In Denmark, each year our kitchen bakes cakes as part of the "Bake-for-a-cause" initiative, which is created by Børns Vilkår. At Christmas we each year donate an amount we spend on Christmas presents which we wrap and donate to Mødrehjælpen. This initiative is also supported by a number of our clients. The other markets represented in the Group have similar initiatives.

Management's review

Account of the gender composition of Management in the parent company

The Board of Directors of the parent company has set a target of 40%, corresponding to 2 out of 5 board members, for the underrepresented gender. The Board of Directors has set the target to be achieved by the end of 2022.

The Board of Directors of the parent company currently consists of 3 elected male members and 2 elected female members representing a 60/40 split between the genders. This is within the range that the company has defined as its target with no gender to be represented by less than 40%of the members of the Board of Directors.

Management has adopted a policy to ensure a balance between genders on the other levels of management, including the Company's managers and team leaders. The policy sets out a framework for the individual manager's career development and opportunities for mentoring and provides simultaneous internal targets for the proportion of female managers. The policy also provides guidelines for the recruitment and retention of women leaders in the business.

Specifically, the Company has initiated several actions to increase the proportion of female managers:

- Support for the preparation of individual career plans

- Mentoring

- Personnel policy that promotes career opportunities for both genders

- Recruitment procedures, which help to ensure same recruitment opportunities for both genders

- Mandatory training for all employees in diversity and inclusion

- Improved terms for paid parental leave ensuring almost identical terms for each gender

The proportion of female managers at other management levels is around the same level as last year, totalling 51 % The other management is all people with employee responsibilities. The percentage is calculated by counting the number of head count within each gender with a employee responsibility and then comparing them to each other.

The top management forum in Denmark, Dentsu Exec Board, consists of 4 female and 5 male leaders.

The management finds this balance satisfactory between the genders at each level satisfactory, while being very aware that the numbers should stay close to this balance going forward which requires a continuous focus and supporting initiatives.

Data ethics

For Dentsu it's a priority to work with data in professional and ethical manner. We each year obtain an ISAE 3000 declaration to demonstrate our compliance with GDPR rules in the way we work with our clients' data for both Danish entities in the Group. Further, we have mandatory trainings which more than 90%of all employees have completed with both data security and ethics & compliance. Finally, we have a number of global policies outlining how we work with data across the business, including, but not limited to, an Acceptable Use Policy, multiple security policies and an information classification and handling policy. These are not consolidated into one policy for data ethics, but covers the area between them.

Internally the main data area for the company is employee data. We handle all information digital to avoid physical data trails and we store the vast majority in our HR system Workday, a leading global HR technology vendor, to ensure compliance with data regulations as well as internal policies.

Management's review

For clients the company acts as data processor, typically handling non-sensitive PII such as browsingdata and / or contact information. This is regulated between the company and each individual client in a data processing agreement, the framework and controls for which is checked as part of the ISAE 3000 declaration we obtain from pwc. As part of acting as data processor for our clients, we use a number of sub-processors, typically big tech companies such as Meta, Google and Adform. These relationships are also part of the scope which is audited in the ISAE 3000 declaration.

Events after the balance sheet date

Beside the divestment of shares in subsidiaries, cf. section "Business review" no other significant subsequent events have incurred.

Outlook

Both the Parent Company and Group expects that the market in which they operate in 2023 will continue to grow slightly compared to 2022, in the range of 0 –5% However, the uncertain situation created by both the current geo-political environment, the impact of the war in Ukraine, the inflation as well as a potential recission are possible risks to continued growth. Even considering that, the overall outlook for both the Parent Company and Group are positive for 2023. We expect growth in turnovers and gross profits in line with the expected market growth, in the range of 0-5% This is in line with our expectations prior year, where a number of unforeseen circumstances and accounting changes resulted in higher than expected higher-than-expected revenue growth for both the Parent Company and Group.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

Note	DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
3	**Revenue**	781,929	673,453	283,775	243,844
	Cost of sales	-84,067	-78,001	-3,780	-4,424
	Other operating income	1,047	666	199	443
	Other external expenses	-128,390	-83,788	-24,833	-45,434
	Gross profit	570,519	512,330	255,361	194,429
4	Staff costs	-445,273	-386,541	-193,041	-173,468
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-42,914	-43,691	1,519	-1,430
	Other operating expenses	0	-905	0	-905
	Profit before net financials	82,331	81,193	60,801	18,626
	Income from investments in group entities	0	0	77,301	57,006
5	Financial income	2,908	2,257	2,585	1,932
6	Financial expenses	-2,546	-34,845	-1,952	-34,666
	Profit before tax	82,694	48,605	138,735	42,898
7	Tax for the year	-27,529	-26,776	-13,842	-4,481
	Profit/loss for the year	55,164	21,829	124,893	38,417
	Breakdown of the consolidated profit/loss:				
	Shareholders in Dentsu Danmark A/S	55,164	18,966		
	Non-controlling interests	0	2,863		
		55,164	21,829		

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
	ASSETS				
	Fixed assets				
8	**Intangible assets**				
	Acquired intangible assets	0	34	0	0
	Goodwill	140,138	179,247	0	0
		140,138	179,281	0	0
9	**Property, plant and equipment**				
	Other fixtures and fittings, tools and equipment	4,947	5,097	2,612	2,544
	Leasehold improvements	1,405	2,212	630	864
		6,352	7,309	3,242	3,408
10	**Investments**				
	Equity investments in subsidiaries	0	0	260,740	260,740
	Other receivables	5,900	5,445	4,009	3,602
		5,900	5,445	264,749	264,342
	Total fixed assets	152,390	192,035	267,991	267,750
	Current assets				
	Receivables				
	Trade receivables	358,345	460,704	267,204	353,962
	Work in progress for third parties	25,562	16,168	0	0
	Receivables from group entities	23,538	29,773	59,046	21,657
11	Deferred tax assets	1,046	1,137	392	438
	Income tax receivables	2,255	20,838	0	19,790
	Other receivables	5,630	1,567	552	348
12	Prepayments	6,887	2,219	756	495
		423,263	532,406	327,950	396,690
13	**Cash**	312,839	426,375	276,756	389,935
	Total current assets	736,102	958,781	604,706	786,625
	TOTAL ASSETS	888,493	1,150,816	872,697	1,054,375

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
Note	DKK'000	2022	2021	2022	2021
	EQUITY AND LIABILITIES				
	Equity				
14	Share capital	500	500	500	500
	Retained earnings	137,646	232,387	173,305	207,576
	Proposed dividend	159,164	0	159,164	0
	Dentsu Danmark A/S' shareholder's share of equity	297,310	232,887	332,969	208,076
	Non-controlling interests	0	10,970	0	0
	Total equity	297,310	243,857	332,969	208,076
	Provision				
15	Other provisions	0	136,648	0	136,648
	Total non-current liabilities	0	136,648	0	136,648
	Non-current liabilities other than provision				
	Other payables	0	26,451	0	13,916
		0	26,451	0	13,916
	Current liabilities other than provisions				
	Bank debt	110,047	118,777	110,047	118,777
	Prepayments received from customers	103,900	127,238	80,456	97,303
	Work in progress for third parties	4,018	29,957	4,018	28,334
	Trade payables	210,220	247,703	202,059	233,716
	Payables to group entities	43,781	71,288	82,609	136,776
	Income tax payables	14,795	20,250	2,448	0
	Other payables	104,421	128,647	58,091	80,829
		591,183	743,860	539,728	695,735
	Total liabilities other than provisions	591,183	770,311	539,728	709,651
	TOTAL EQUITY AND LIABILITIES	888,493	1,150,816	872,697	1,054,375

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2 Events after the balance sheet date
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Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

		Group					
Note	DKK'000	Share capital	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
	Equity at 1 January 2022	500	232,387	0	232,887	10,970	243,857
	Foreign exchange adjustments, foreign subsidiaries	0	-1,711	0	-1,711	0	-1,711
	Transferred; see distribution of profit/loss	0	-104,000	159,164	55,164	0	55,164
	Other adjustment	0	10,970	0	10,970	-10,970	0
	Equity at 31 December 2022	500	137,646	159,164	297,310	0	297,310

		Parent Company			
Note	DKK'000	Share capital	Retained earnings	Proposed dividend	Total
	Equity at 1 January 2022	500	207,576	0	208,076
20	Transferred; see distribution of profit/loss	0	-34,271	159,164	124,893
	Equity at 31 December 2022	500	173,305	159,164	332,969

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

Note	DKK'000	Group 2022	Group 2021
	Profit/loss before net financials	82,331	81,193
	Depreciation and amortisation	42,914	43,691
	Other adjustments of non-cash operating items	-1,579	-294
	Cash generated from operations before changes in working capital	123,666	124,590
21	Changes in working capital	-74,475	57,966
	Cash generated from operations	49,191	182,556
	Net financials paid	362	1,483
	Corporation tax paid	-14,401	-20,053
	Cash flows from operating activities	35,152	163,986
	Payments related to put/call-options regarding acquisition of intangibles assets/equity investments in subsidiaries	-137,103	-54,052
	Additions of property, plant and equipment	-2,855	-3,027
	Cash flows from investing activities	-139,958	-57,079
	Changes in bank debt	-8,730	38,542
	Dividend, paid	0	-30,008
	Cash flows from financing activities	-8,730	8,534
	Cash flows for the year	-113,536	115,441
	Cash and cash equivalents, beginning of year	426,375	310,934
	Cash and cash equivalents, year end	312,839	426,375

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Dentsu Danmark A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes in accounting policies

The accounting policies used are consistent with those of last year except for the presentation of revenue from media billings. This is presented net in the income statement instead of gross as Dentsu A/S acts as an agent concerning sales to client of media inventory. Comparative figures have been adjusted in the annual report including the financial highlight. The amount reclassified for 2022 is DKK 1,498,275 thousand and for 2021 it is DKK 1,360,277 thousand.

The change in accounting policies has been made on the basis of an assessment of a more true and fair view based on the company´s risk and liability in generating revenue. The comparative figures are adjusted and there is no impact on the profit for the year, tax, balance sheet amount or equity.

Merger

The Company merged in 2022 as continuing company with its subsidiary Isobar Nordics A/S. Isobar Nordics A/S was the holding company for the Group's Customer Experience Services. The company's assets comprised only of investments and limited income statement transactions and any financial impact from the merger would be insignificant. The comparison figures for FY 2021 has not been changed following the merger.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company Dentsu Danmark A/S and subsidiaries controlled by Dentsu Danmark A/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The subsidiaries' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries that are not wholly owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Intra-group business combinations

Intra-group mergers are treated according to the pooling-of-interests method where the acquiror recognises the acquirees' assets and liabilities at the former carrying amounts. Comparatives are restated as if the two entities have always been combined.

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent company included in the merger. The group method is applied as if the entities had been combined from the date when the parent company acquired the equity investments in the entities included in the merger, and therefore, the comparative figures were restated.

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.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the year, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total net investment in the subsidiary are recognised directly in the translation reserve under equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging net investments in foreign subsidiaries are recognised directly in the translation reserve under equity.

On translation of foreign subsidiaries that are integral entities, monetary items are recognised at the exchange rates at the balance sheet date. Non-monetary items are recognised at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Turnover from media and sale of services is recognised in the income statement at the invoice date which corresponds to the time when delivery is made, and risk has passed to the buyer. Media billings, where the Company is acting as agent, is not recognized as revenue.

Contract work in progress is included in turnover based on the stage of completion so that turnover corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Turnover is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in turnover.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities.

Cost of sales

Cost of sales includes the cost of services used in generating the year's turnover.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

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

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-5 years
Goodwill	10 years

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools, and equipment	3-5 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Profit from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Parent and other Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Acquired intangible assets

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

Adjustments of cost of acquired intangible assets are recognised as additions to fixed assets in accordance with the Danish legislation applicable at the time of acquisition of the intangible asset.

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is fixed on the basis of

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Property, plant, and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and expenses directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investment in subsidiaries

Investments in subsidiaries are measured at cost. Dividends received which exceed the accumulated earnings in the subsidiary in the period of ownership are treated as a cost reduction.

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment as well as investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Work in progress for third parties

Service supplies and service contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividend

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account. Receivable or payable joint taxation contribution are recognised as income tax receivables or income tax payables. As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Provisions

Other provisions comprise provisions regarding earn-out payments for purchase the of shares in the subsidiary Isobar Nordic A/S. Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Other payables are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a remaining term of three months or less that are subject to only minor risks of changes in value.

Segment information

Information is disclosed by activity and geographical market. Segment information is based on the Company's accounting policies, risks and internal financial management.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin $\dfrac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$

Gross margin $\dfrac{\text{Gross profit/loss x 100}}{\text{Revenue}}$

Equity ratio $\dfrac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Return on equity $\dfrac{\text{Profit/loss for the year after tax ex. non-controlling interests x 100}}{\text{Average equity ex non-controlling interests}}$

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

2 Events after the balance sheet date

Beside the divestment of shares in subsidiaries, cf. note 10, no other significant subsequent events have incurred.

3 Segment information

Breakdown of turnover by geographical segment:

	Group		Parent Company	
DKK'000	**2022**	**2021**	**2022**	**2021**
Nordic countries	608,502	644,522	248,298	221,599
Europe	153,394	28,892	17,727	22,206
Outside of Europe	20,033	39	17,750	39
	781,929	673,453	283,775	243,844

Breakdown of turnover by service line:

	Group		Parent Company	
DKK'000	**2022**	**2021**	**2022**	**2021**
Media service line	283,279	234,478	283,775	243,844
Customer experience management service line	498,650	438,975	0	0
	781,929	673,453	283,775	243,844

4 Staff costs

	Group		Parent Company	
DKK'000	**2022**	**2021**	**2022**	**2021**
Wages and salaries	382,705	334,162	169,692	154,411
Pensions	34,237	27,806	8,268	7,219
Other social security costs	12,700	12,779	2,039	1,825
Other staff costs	15,631	11,794	13,042	10,013
	445,273	386,541	193,041	173,468
Average number of full-time employees	637	558	270	245

The share of paid remuneration to the members of the parent company's Executive Board relating to their role as board members are estimated to be DKK 30.000. As disclosing the sum of pay for the Executive Board and Management would consist almost entirely of the pay to the single management member, this is withheld as per section 98b(3)(ii).

Part of the remuneration to the Company's Executive Board is paid by the Nordic group entities.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
5 Financial income				
Interest income from group entities	15	0	0	0
Other interest income	2,893	2,257	2,585	1,932
	2,908	2,257	2,585	1,932
6 Financial expenses				
Interest expenses from group entities	6	0	503	272
Other interest expenses	2,540	726	1,449	294
Adjustment related earn out	0	34,100	0	34,100
	2,546	34,826	1,952	34,666
7 Tax for the year				
Estimated tax charge for the year	27,294	27,051	13,796	4,289
Deferred tax adjustment for the year	66	-253	46	192
Tax adjustments, prior years	169	-22	0	0
	27,529	26,776	13,842	4,481

8 Intangible assets

	Group		
DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2022	4,956	416,131	421,087
Disposals/Adjustments in the year	-4,956	-3,000	-7,956
Cost at 31 December 2022	0	413,131	413,131
Amortisation and impairment losses at 1 January 2022	4,922	236,884	241,806
Impairment losses in the year	6	39,109	39,115
Amortisation/depreciation and impairment of disposals in the year	-4,928	-3,000	-7,928
Amortisation and impairment losses at 31 December 2022	0	272,993	272,993
Carrying amount at 31 December 2022	0	140,138	140,138

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

9 Property, plant and equipment

DKK'000	Group		
	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
Cost at 1 January 2022	27,001	10,669	37,670
Foreign currency translation adjustment	-279	0	-279
Additions	2,783	72	2,855
Disposals	-21	0	-21
Cost at 31 December 2022	29,484	10,741	40,225
Depreciation and impairment losses at 1 January 2022	21,904	8,457	30,361
Foreign currency translation adjustment	-266	0	-266
Depreciation	2,920	879	3,799
Disposals	-21	0	-21
Depreciation and impairment losses at 31 December 2022	24,537	9,336	33,873
Carrying amount at 31 December 2022	4,947	1,405	6,352

DKK'000	Parent Company		
	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
Cost at 1 January 2022	14,931	3,572	18,503
Additions	1,353	0	1,353
Disposals	-21	0	-21
Cost at 31 December 2022	16,263	3,572	19,835
Depreciation and impairment losses at 1 January 2022	12,387	2,708	15,095
Depreciation	1,285	234	1,519
Disposals	-21	0	-21
Depreciation and impairment losses at 31 December 2022	13,651	2,942	16,593
Carrying amount at 31 December 2022	2,612	630	3,242

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

10 Investments

DKK'000	Group Equity investments in subsidiaries	 Other receivables	 Total
Cost at 1 January 2022	0	5,445	5,445
Additions	0	455	455
Cost at 31 December 2022	0	5,900	5,900
Carrying amount at 31 December 2022	0	5,900	5,900

DKK'000	Parent Company Equity investments in subsidiaries	 Other receivables	 Total
Cost at 1 January 2022	260,740	3,602	264,342
Additions	0	407	407
Cost at 31 December 2022	260,740	4,009	264,749
Carrying amount at 31 December 2022	260,740	4,009	264,749

Name and registered office	Legal form	Domicil	Voting rights and ownership	Profit/loss DKK'000	Equity DKK'000
Merkle Denmark A/S	A/S	København	100.00%	59,239	42,445
Isobar Finland OY	OY	Helsinki	100.00%	6,701	3,015
Merkle Norge AS	AS	Oslo	100.00%	3,799	-214
Isobar Sverige AB	AB	Stockholm	100.00%	15,092	1,370

The shares in Isobar Finland Oy, Merkle Norge AS and Isobar Sweden AB has been sold to the Dentsu entities in each of the markets in a cash deal on the 12th of April 2023. All assets were sold at a valueabove the book value resulting in a gain of around DKK 70.000 thousand in the Parent Company and around DKK 85.000 thousand in the Group compared to the values as of 31 December 2022. The cash received will be paid out as dividends.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
11 Deferred tax				
Deferred tax at 1 January	1,137	881	438	630
Foreign currency translation adjustment	-25	3	0	0
Deferred tax adjustment for the year	-66	253	-46	-192
Deferred tax at **31 December**	1,046	1,137	392	438
Deferred tax relates to:				
Intangible assets	94	181	0	0
Property, plant and equipment	685	666	392	438
Current assets	221	290	0	0
Tax losses	46	0	0	0
	1,046	1,137	392	438

12 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including insurance policies, rent and other rent related expenses.

13 Cash

Consolidated cash funds include restricted cash regarding tax account in the Norwegian subsidiary and totalled DKK 700 thousand at 31 December 2022 (31 December 2021: DKK 613 thousand). Cash will be released upon payment to the Norwegian authorities in 2023.

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
14 Share capital				
500 A shares of DKK 1,000.00 nominal value each	500	500	500	500
	500	500	500	500

The share capital has remained DKK 500 thousand over the past 5 years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

15 Other provisions

Other provisions comprised provisions regarding earn-out payments for purchase the of shares in the subsidiary Isobar Nordic A/S (which is vertical and downstream intra-group merged into Dentsu Danmark A/S in 2022). The provision was settled in 2022.

	Group		Parent Company	
DKK'000	**2022**	**2021**	**2022**	**2021**

16 Contractual obligations and contingencies etc.

Lease liabilities can be specified as follows:

Lease liabilities:				
0-1 years	10,493	8,499	7,295	7,218
1-5 years	1,665	3,822	1,530	1,574
> 5 years	0	0	0	0
	12,158	12,321	8,825	8,792

As administrative company, Dentsu Danmark A/S is jointly taxed with other Danish group entities (including Merkle Danmark A/S). As a group entity, the entities have joint and several unlimited liability for Danish corporation taxes as well as withholding taxes on interest, royalties, and dividends within the joint taxation unit. The jointly taxed companies' total known net payable in respect of corporation taxes and withholding taxes amounted to DKK 14,795 thousand at 31 December 2022. Any subsequent adjustments to the joint taxation income and withholding taxes, etc., may entail that the Company's liability will increase.

	Group		Parent Company	
DKK'000	**2022**	**2021**	**2022**	**2021**
Guarantee commitments	15,000	15,000	15,000	15,000
	15,000	15,000	15,000	15,000

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

17 Related parties

Dentsu Danmark A/S' related parties comprise the following:

Parties exercising control

Dentsu Nordic AB, Åsögatan 108, 118 29, Stockholm, Sweden
Dentsu Nordic AB holds the majority of the share capital in the Company.

Related party transactions

	Group	Parent Company
DKK'000	**2022**	**2022**
Acquired services from group entities	229,184	196,563
Sale of services to group entities	107,689	95,490
Interest income from group entities	15	0
Interest expenses to group entities	6	503
Receivables from group entities	23,538	59,046
Payables to group entities	43,781	82,609

Apart from distribution of dividend, no other transactions were carried out with shareholders during the year.

18 Fees paid to auditor appointed at the annual general meeting

	Group		Parent Company	
DKK'000	**2022**	**2021**	**2022**	**2021**
Total fees to KPMG	919	679	509	323
Fee for statutory audit	877	569	473	287
Assurance engagements	36	36	36	36
Non-audit services	6	74	0	0
	919	679	509	323

	Parent Company	
DKK'000	**2022**	**2021**
19 Distribution of profit/loss		
Proposed distribution of profit/loss		
Proposed dividend recognised under equity	159,164	0
Retained earnings/accumulated loss	-34,271	38,417
	124,893	38,417

Consolidated financial statements and parent company financial statements 1 January – 31 December

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DKK'000	Group 2022	Group 2021
21 Changes in working capital		
Changes in receivables	90,469	-91,872
Changes in trade and other payables	-164,944	149,838
	-74,475	57,966

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Direktionsmedlem
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Ulrik Petersen
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