
Ogilvy Danmark A/S

Prags Boulevard 80, 1., DK-2300 Copenhagen S

Annual Report for 1 January - 31 December 2019

CVR No 73 19 25 28

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2020

Eva Bukowski
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Ogilvy Danmark A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 29 May 2020

Executive Board

Morten Vestergren Frederiksen
Executive Officer

Board of Directors

Kristian Lauridsen
Chairman

Paul Simon O'Donnell

Ralph Charles Clementson

Independent Auditor's Report

To the Shareholder of Ogilvy Danmark A/S

Opinion

We have audited the Financial Statements of Ogilvy Danmark A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the 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.

Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Independent Auditor's Report

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Copenhagen, 29 May 2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Kim Takata Mücke
State Authorised Public Accountant
mne10944

Brian Schmit Jensen
State Authorised Public Accountant
mne40050

Company Information

The Company

Ogilvy Danmark A/S
Prags Boulevard 80, 1.
DK-2300 Copenhagen S

CVR No: 73 19 25 28
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Kristian Lauridsen , Chairman
Paul Simon O'Donnell
Ralph Charles Clementson

Executive Board

Morten Vestergren Frederiksen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

Management's Review

Main activity

The Company's activities consist of advertising agency and related activities.

Development in the year

The income statement of the Company for 2019 shows a loss of DKK 4,575,546, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 4,118,008.

Company management consider the result to be unsatisfactory.

A turnaround plan has been agreed with our regional office.

Subsequent events

Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

To date, the Company has been slightly negatively impacted by the effects of COVID-19, as some clients have paused their marketing efforts. The company has not been impacted on any key clients.

COVID-19 has not impacted our ability to deliver.

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		19.367.244	31.285.449
Staff expenses	1	-25.119.220	-34.959.145
Depreciation, amortisation and impairment of property, plant and equipment		-129.840	-189.141
Profit/loss before financial income and expenses		-5.881.816	-3.862.837
Financial income	2	9.552	14.689
Financial expenses	3	-7.706	-3.056
Profit/loss before tax		-5.879.970	-3.851.204
Tax on profit/loss for the year	4	1.304.424	835.099
Net profit/loss for the year		-4.575.546	-3.016.105

Distribution of profit

Proposed distribution of profit

Retained earnings		-4.575.546	-3.016.105
		-4.575.546	-3.016.105

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		835.694	86.703
Leasehold improvements		16.634	42.701
Property, plant and equipment	5	852.328	129.404
Other receivables		814.635	943.458
Fixed asset investments		814.635	943.458
Fixed assets		1.666.963	1.072.862
Trade receivables		12.840.533	10.201.784
Contract work in progress	6	527.552	683.688
Receivables from group enterprises		99.823	13.661.168
Corporation tax		1.334.036	0
Prepayments		462.334	186.563
Receivables		15.264.278	24.733.203
Cash at bank and in hand		0	2.189
Currents assets		15.264.278	24.735.392
Assets		16.931.241	25.808.254

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Share capital		1.500.000	1.500.000
Retained earnings		2.618.008	7.193.554
Equity	7	<u>4.118.008</u>	<u>8.693.554</u>
Provision for deferred tax		1.776.668	283.221
Provisions		<u>1.776.668</u>	<u>283.221</u>
Other payables		688.044	0
Long-term debt		<u>688.044</u>	<u>0</u>
Trade payables		1.075.509	976.341
Contract work in progress, liabilities	6	3.874.864	5.267.627
Payables to group enterprises		1.669.655	757.868
Corporation tax		0	3.389.630
Other payables		3.728.493	6.440.013
Short-term debt		<u>10.348.521</u>	<u>16.831.479</u>
Debt		<u>11.036.565</u>	<u>16.831.479</u>
Liabilities and equity		<u>16.931.241</u>	<u>25.808.254</u>
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	1.500.000	7.193.554	8.693.554
Net profit/loss for the year	0	-4.575.546	-4.575.546
Equity at 31 December	<u>1.500.000</u>	<u>2.618.008</u>	<u>4.118.008</u>

Notes to the Financial Statements

	2019	2018
	DKK	DKK
1 Staff expenses		
Wages and salaries	22.334.450	31.327.951
Pensions	1.223.663	1.445.415
Other social security expenses	281.001	329.776
Other staff expenses	1.280.106	1.856.003
	25.119.220	34.959.145
Average number of employees	38	50
2 Financial income		
Interest received from group enterprises	9.552	14.689
	9.552	14.689
3 Financial expenses		
Interest paid to group enterprises	3.669	0
Other financial expenses	4.037	3.056
	7.706	3.056
4 Tax on profit/loss for the year		
Current tax for the year	-2.785.188	2.238.478
Deferred tax for the year	1.493.447	-3.073.577
Adjustment of tax concerning previous years	-12.683	0
	-1.304.424	-835.099

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	778.536	519.486
Additions for the year	835.693	17.072
Disposals for the year	<u>-194.857</u>	<u>-519.486</u>
Cost at 31 December	<u>1.419.372</u>	<u>17.072</u>
Impairment losses and depreciation at 1 January	691.833	476.785
Depreciation for the year	86.701	29.952
Reversal of impairment and depreciation of sold assets	<u>-194.856</u>	<u>-506.299</u>
Impairment losses and depreciation at 31 December	<u>583.678</u>	<u>438</u>
Carrying amount at 31 December	<u>835.694</u>	<u>16.634</u>

6 Contract work in progress

	2019 DKK	2018 DKK
Selling price of work in progress	9.238.198	1.961.856
On account billings	<u>-12.585.510</u>	<u>-6.545.795</u>
	<u>-3.347.312</u>	<u>-4.583.939</u>
Recognised in the balance sheet as follows:		
Contract work in progress (net value), where the sales value exceeds on account billings	527.552	683.688
Contract work in progress (net value), where on account billings to customers exceed sales value	<u>-3.874.864</u>	<u>-5.267.627</u>
	<u>-3.347.312</u>	<u>-4.583.939</u>

7 Equity

The share capital consists of 1,500 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

	<u>2019</u> DKK	<u>2018</u> DKK
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8 Contingent assets, liabilities and other financial obligations

Other contingent liabilities

Commitments under rental agreements or leases until expiry	<u>2.749.159</u>	<u>1.057.177</u>
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The Company participates in a Danish joint taxation arrangement with WPP Holding Denmark A/S as the administration company. According to the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 for obligations, if any, relating to withholding tax on interest, royalties and dividends for the jointly taxed companies.

9 Related parties

Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group:

<u>Name</u>	<u>Place of registered office</u>
WPP Jubilee Limited (smallest group)	18 Upper Ground, SE1 9GL, London, England
WPP Plc. (largest group)	Hilgrove Street, St Helier, JE1 1ES, Jersey, England

The Group Annual Report of WPP Jubilee Limited may be obtained at the office address.

The Group Annual Report of WPP Plc. may be obtained at the following address: www.wppinvestor.com

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Ogilvy Danmark A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

10 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Income Statement

Revenue

Revenue from the sale of advertising services etc. is recognised in the income statement as work is performed. Revenue is recognised net of VAT, duties and sale discounts.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the sales value of work performed.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprise consumed direct costs to achieve the revenue for the year.

Other external expenses

Other external expenses comprise expenses for marketing, administration, premises, bad debt losses etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, cost of sales and other external expenses.

Staff expenses

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

Notes to the Financial Statements

10 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sales of property, plant and equipment.

Financial income and expenses

Other financial income and expenses comprise interest income/expense, realized and unrealized losses regarding transactions in foreign currencies, etc.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

10 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Cash pool

The company is part of a cash pool scheme with other Danish WPP companies. Consequently, a considerable portion of the Company's bank deposits is included in receivables to group enterprises.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at the sales value of the work carried out at the balance sheet date.

The sales value is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

For some projects where the consumption of resources cannot be applied as a basis, stage of completion is determined as the ratio between completed and total sub activities of the individual projects.

Each contract in progress is recognised in the balance sheet under receivables or liabilities, depending on whether the net value, calculated as the selling price less on account billings, is positive or negative.

Costs of securing contracts are recognised in the income statement as incurred.

Prepayments

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

Notes to the Financial Statements

10 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.