

# Omnicom Media Group A/S

Midtermolen 3  
2100 København Ø

CVR no. 15 10 68 75

## Annual Report 2022

The annual report was presented and approved at the  
Company's annual general meeting

on 28 June 2023

Peter Gottfredsen  
Chairman of the annual general meeting

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Omnicom Media Group 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's 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 activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Copenhagen, 28 June 2023  
Executive Board:

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Peter Gottfredsen  
Managing Director

Board of Directors:

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John James Byrnes  
Chairman

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Michael Holmer

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Peter Gottfredsen

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Johan Malling Boserup

## Independent auditor's report

### To the shareholders of Omnicom Media Group A/S

#### Opinion

We have audited the Consolidated financial statements and the Parent Company financial statements of Omnicom Media Group A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The Consolidated financial statements and 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and 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 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 Consolidated financial statements and the Parent Company financial statements" section of our report.

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 ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the Consolidated financial statements and the Parent Company 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 that Management determines is necessary to enable the preparation of Consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditor's report

In preparing the Consolidated financial statements and the Parent Company 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 Consolidated financial statements and the Parent Company financial statements, unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Consolidated financial statements and the Parent Company financial statements

Our objectives are to obtain reasonable assurance as to whether the Consolidated financial statements and the Parent Company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these Consolidated financial statements and Parent Company financial statements.

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

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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.

## Independent auditor's report

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated financial statements and the Parent Company 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 Consolidated financial statements and the Parent Company 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the Consolidated financial statements and the Parent Company financial statements, including the disclosures, and whether the Consolidated financial statements and the Parent Company 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 and the Parent Company 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 Consolidated financial statements and the Parent Company 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 Consolidated financial statements and the Parent Company 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 Consolidated financial statements or the Parent Company 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.

**Omnicom Media Group A/S**  
Annual report 2022  
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## **Independent auditor's report**

Based on the work we have performed, we conclude that the Management's review is in accordance with the Consolidated financial statements and the Parent Company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 June 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

David Olafsson  
State Authorised  
Public Accountant  
mne19737

**Omnicom Media Group A/S**  
Annual report 2022  
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## **Management's review**

### **Company details**

Omnicom Media Group A/S  
Midtermolen 3A  
2100 København Ø  
Denmark

Telephone: +45 38 14 57 00  
Fax: +45 38 14 57 01  
CVR-no.: 15 10 68 75  
Financial period: 1 January – 31 December  
Established: 1 May 1991  
Registered office: Copenhagen

### **Board of Directors**

John James Byrnes, Chairman  
Michael Holmer  
Peter Gottfredsen  
Johan Malling Boserup

### **Executive Board**

Peter Gottfredsen, Managing Director

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø  
Denmark  
CVR no. 25 57 81 98

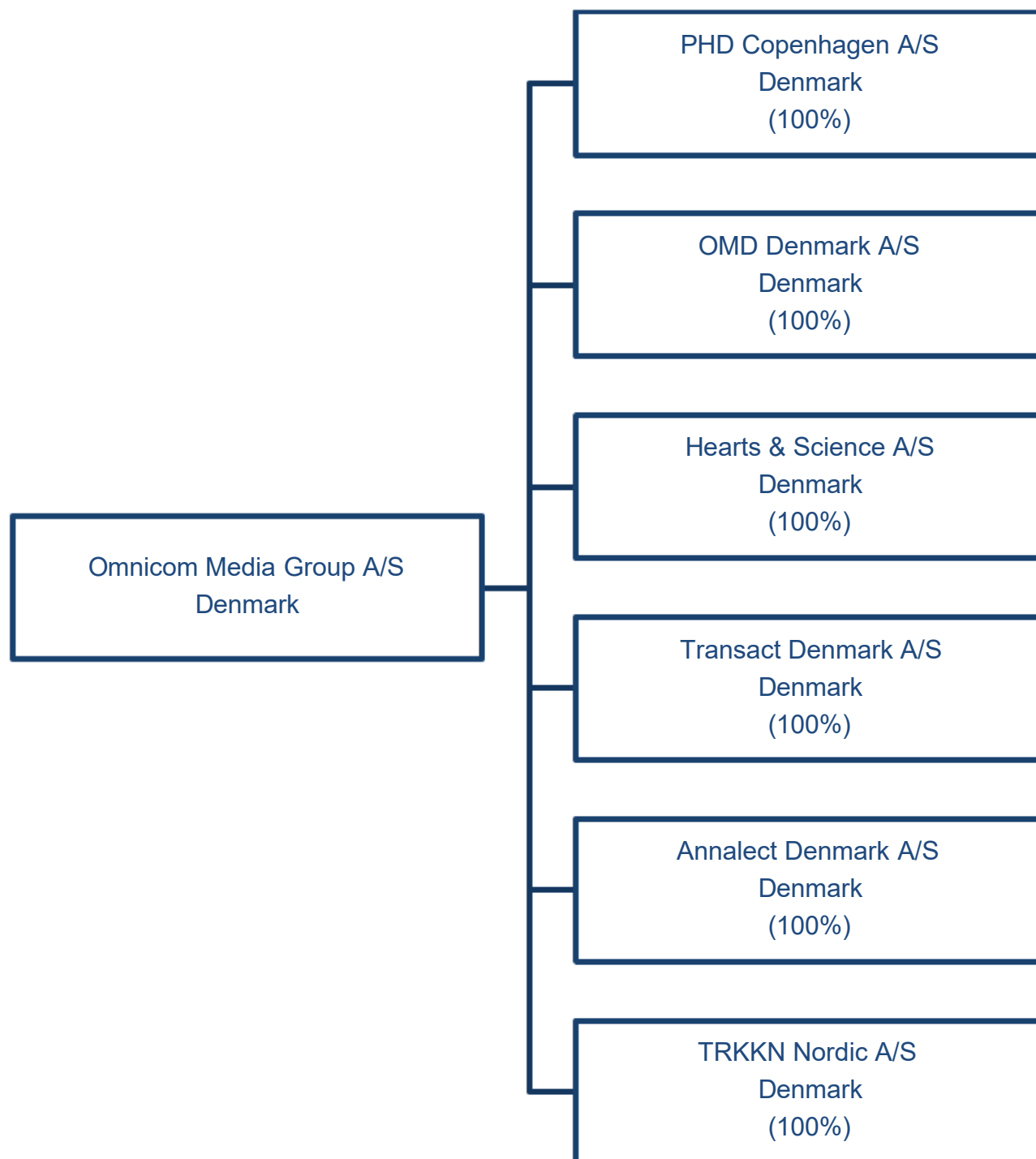
### **General meeting**

The annual general meeting will be held on 28 June 2023 at the Company's address.

## Management's review

### Group chart

#### Parent Company



## Management's review

### Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
Revenue	193,589	170,026	151,053	170,642	168,485
Ordinary operating profit	29,926	31,590	22,878	22,728	26,609
Net financials	-819	-801	-530	-787	-224
Net profit for the year	23,530	23,958	17,151	17,102	20,422
Balance sheet total	358,970	393,905	376,147	342,544	339,777
Investments in property, plant and equipment	-692	-1,476	-364	-592	-804
Equity	88,876	85,346	61,388	44,237	27,136
Gross margin	79.3%	80.4%	81.6%	78.4%	85.3%
Profit margin	15.5%	18.6%	15.1%	13.3%	15.8%
Return on assets	7.9%	8.2%	6.4%	6.7%	7.4%
Solvency ratio	24.8%	21.7%	16.3%	12.9%	8.0%
Return on equity	27.0%	32.7%	32.5%	47.9%	71.8%
Liquid test	130.9%	125.6%	117.3%	113.3%	107.1%

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Ordinary operating profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Liquid test	$\frac{\text{Current assets total} \times 100}{\text{Current liabilities}}$

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Financial Ratios".

## Management's review

### Operating review

#### The Group's principal activities

Omnicom Media Group A/S has established long-term cooperation with a wide range of advertisers in Denmark and delivers a variety of marketing-related consultancy services to these companies.

In 2022, the Media and Marketing Consultancy Services included: Digital Transformation, Marketing Technology, eCommerce and other Business and Communication strategies. The Company also provides creative production as well as media and marketing consultancy services.

In 2022, the Group launched several award-winning innovations and new product lines, in particular within advanced marketing decision support systems based on machine learning and artificial intelligence, which are the fastest growing areas of the business.

There has been a significant expansion of our capabilities within the area of Performance Marketing through the specialist entity 'Transact'. A long list of new clients have been onboarded and new alliances have been created with third party technologies.

Finally, we deliver digital production and content development through the award-winning specialist unit 'DRUM'.

Omnicom Media Group A/S provides shared services to the Group companies in the areas of Management, Finance, IT and HR.

#### Business development and finances

In the financial year 2022, Omnicom Media Group A/S as a group generated revenues of DKK 193.6 million, compared to DKK 170.0 million in the financial year 2021, corresponding to a growth of 13.9%. Profit for the year was DKK 24 million, compared to DKK 24 million in the financial year 2021. Growth in revenue and flat profit is in line with our expectations. In general, the results reflect continued strong growth within media and marketing strategy, data and technology, e-commerce, market analysis and a new generation of advanced decision support systems. We have incurred costs in relation to our organic growth, and increased our investments especially in regard to attracting and retaining talents and further investing in our tools and structures. These investments will ensure the delivery of high-quality services to our clients.

The decline in revenue and ordinary operating profit in the parent company, Omnicom Media Group A/S, is due to the activities relating to performance marketing, that in 2022 was transferred to Transact Denmark A/S.

## **Outlook**

We expect that the Danish economy will be stable in 2023, with a corresponding trend in media spending. The Russian invasion of Ukraine, together with the inflation, will have a negative impact and slow down the growth.

We expect the Group to strengthen its market position and market share through a continued prioritisation of product and service development and a high number of new client relationships.

## **Intellectual capital**

Omnicom Media Group A/S' business concept is primarily based on advanced consultancy services delivered by highly qualified specialists.

This requires comprehensive knowledge resources both in terms of talents and business procedures. To continuously offer such services, it is imperative for us to be able to recruit and retain highly-skilled employees in all the relevant areas of expertise.

The strong performance on market recognition and awards has been instrumental in building a strong employer brand, which is critical for our ability to attract talent.

## **Special risks – business risks and financial risks**

Omnicom Media Group A/S' business and financial risks are closely related to the development of the national economy, which is expected to stagnate during 2023.

The primary financial risk for the Omnicom Media Group is the customers' ability to pay; therefore, the Company has credit insurance coverage on all customers.

## **Subsidiaries**

The three media agencies OMD Denmark A/S, PHD Copenhagen A/S and Hearts & Science A/S, together with our performance marketing agency Transact Denmark A/S has contributed to the growth in revenue.

In the past year, Omnicom Media Group A/S has founded two new subsidiaries. Annalect Denmark A/S and TRKKN Nordic A/S. In 2023, Omnicom Media Group A/S will transfer the activities relating to advanced marketing decision support systems to Annalect Denmark A/S.

## **Subsequent events**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

### **Uncertainty relating to recognition and measurement**

Recognition and measurement in the annual report have not been subject to any uncertainty.

### **Unusual events**

The financial position at 31 December 2022 of the Group and the results of the Company's operations and cash flows for the financial year 2022 have not been affected by any unusual events.

### **External environment**

Omnicom Media Group A/S is environmentally conscious and works to reduce the environmental impacts of corporate operations.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Income statement

DKK'000	Note	Group		Parent Company	
		2022	2021	2022	2021
<b>Revenue</b>	2	193,589	170,026	86,456	93,725
Other external costs		-40,068	-33,284	-35,407	-30,070
<b>Gross profit</b>		153,521	136,742	51,049	63,655
Staff costs	3	-121,542	-103,104	-46,862	-50,773
Depreciation, amortisation		-2,053	-2,048	-2,035	-2,034
<b>Ordinary operating profit</b>		29,926	31,590	2,152	10,848
Income from investments in subsidiaries	4	0	0	22,252	15,868
Financial income	5	65	0	1	0
Financial expenses	6	-884	-801	-481	-465
<b>Profit before tax</b>		29,107	30,789	23,924	26,251
Tax on profit for the year	7	-5,577	-6,831	-394	-2,293
<b>Profit for the year</b>		23,530	23,958	23,530	23,958
<b>Proposed distribution of profit</b>					
Reserve for capitalized development projects, net of tax		0	0	-895	-895
Retained earnings		23,530	23,958	24,425	24,853
		23,530	23,958	23,530	23,958

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		2022	2021	2022	2021
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible assets</b>					
Software	8	681	1,878	681	1,878
		<u>681</u>	<u>1,878</u>	<u>681</u>	<u>1,878</u>
<b>Property, plant and equipment</b>					
Other fixtures and fittings, tools and equipment	9	949	1,114	949	1,114
Leasehold improvements		637	636	589	570
		<u>1,586</u>	<u>1,750</u>	<u>1,538</u>	<u>1,684</u>
<b>Investments</b>					
Investments in subsidiaries	10	0	0	72,366	63,314
Deposits		3,017	2,824	3,017	2,824
		<u>3,017</u>	<u>2,824</u>	<u>75,383</u>	<u>66,138</u>
<b>Total fixed assets</b>		<u>5,284</u>	<u>6,452</u>	<u>77,602</u>	<u>69,700</u>
<b>Current assets</b>					
<b>Receivables</b>					
Trade receivables		251,028	274,701	10,271	13,740
Contract work in progress	11	144	2,483	24	1,282
Amount owed by group entities		93,560	102,021	42,944	42,998
Other receivables		7,170	7,293	3,135	1,504
Deferred tax asset	12	620	248	358	90
Corporation tax		0	0	473	76
Prepayments		1,164	707	973	566
		<u>353,686</u>	<u>387,453</u>	<u>58,178</u>	<u>60,256</u>
<b>Cash at bank and in hand</b>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total current assets</b>		<u>353,686</u>	<u>387,453</u>	<u>58,178</u>	<u>60,256</u>
<b>TOTAL ASSETS</b>		<u>358,970</u>	<u>393,905</u>	<u>135,780</u>	<u>129,956</u>

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		2022	2021	2022	2021
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		3,037	3,037	3,037	3,037
Reserves in accordance with the articles of association		0	0	2,267	2,267
Reserve for capitalized development projects, net of tax		0	0	531	1,426
Retained earnings		85,839	82,309	83,041	58,616
Proposed dividend previous years		0	0	0	20,000
<b>Total equity</b>		<b>88,876</b>	<b>85,346</b>	<b>88,876</b>	<b>85,346</b>
<b>Liabilities other than provisions</b>					
<b>Current liabilities other than provisions</b>					
Trade payables		181,867	189,276	8,466	9,395
Contract work in progress	11	0	3,256	0	1,461
Payables to associates		3,114	2,776	22,521	8,988
Corporation tax		5,747	4,564	0	0
Other payables		32,460	33,330	11,384	13,800
Deferred income		46,906	75,357	4,533	10,966
		270,094	308,559	46,904	44,610
<b>Total liabilities other than provisions</b>		<b>270,094</b>	<b>308,559</b>	<b>46,904</b>	<b>44,610</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>358,970</b>	<b>393,905</b>	<b>135,780</b>	<b>129,956</b>
<b>Contractual obligations and contingencies, etc.</b>	13				
<b>Related parties and ownership</b>	14				

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Group			
	Share capital	Retained earnings	Proposed dividend	Total
<b>Equity at 1 January 2022</b>	3,037	82,309	0	85,346
Ordinary dividend paid	0	-20,000	0	-20,000
Net profit for the year	0	23,530	0	23,530
<b>Equity at 31 December 2022</b>	<u>3,037</u>	<u>85,839</u>	<u>0</u>	<u>88,876</u>

DKK'000	Parent Company					
	Share capital	Reserves in accordance with the articles of association	Reserve for capitalized development projects, net of tax	Retained earnings	Proposed dividend previous years	Total
<b>Equity at 1 January 2022</b>	3,037	2,267	1,426	58,616	20,000	85,346
Ordinary dividend paid	0	0	0	0	-20,000	-20,000
Net profit for the year	0	0	-895	24,424	0	23,530
<b>Equity at 31 December 2022</b>	<u>3,037</u>	<u>2,267</u>	<u>531</u>	<u>83,040</u>	<u>0</u>	<u>88,876</u>

The share capital consists of 3,037 shares with a nominal value of DKK 1,000. No shares carry any special rights.

The share capital can be specified as follows:

DKK'000	2022	2021	2020	2019	2018
Share capital at 1 January	<u>3,037</u>	<u>3,037</u>	<u>3,037</u>	<u>3,037</u>	<u>3,037</u>
<b>Share capital at 31 December</b>	<u>3,037</u>	<u>3,037</u>	<u>3,037</u>	<u>3,037</u>	<u>3,037</u>

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Cash flow statement

DKK'000	Note	Group	
		2022	2021
Revenue	2	193,589	170,026
Costs		-40,068	-33,284
Other operation costs		-121,542	-103,104
<b>Cash flows from operating activities before changes in working capital</b>		31,979	33,638
Changes in working capital		-5,509	-26,374
<b>Cash flows from operations</b>		26,470	7,264
Interest income		65	0
Interest expense		-884	-801
<b>Cash flows from operating activities before extraordinary items and tax</b>		25,651	6,463
Corporation tax paid		-4,766	-4,941
<b>Cash flows from operating activities</b>		20,885	1,522
Acquisition of property, plant and equipment		-692	-1,476
Changes in investments		-193	-11
<b>Cash flows used for investing activities</b>		-885	-1,487
Dividends paid		-20,000	0
Payables to credit institutions		0	-35
<b>Cash flows from financing activities</b>		-20,000	-35
Net cash flows for the year		0	0
Cash and cash equivalents at 1 January		0	0
<b>Cash and cash equivalents at year end</b>		0	0

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report for 2022 has been prepared in accordance with the provisions applying to reporting class C under the Danish Financial Statements Act with opt-in of capitalization of development projects from higher reporting classes.

The accounting policies used in the presentation of the financial statements are consistent with those of last year.

The annual report of Omnicom Media Group A/S is included in the consolidated financial statements of Omnicom Media Group A/S.

The annual report of Omnicom Media Group A/S is included in the consolidated financial statements of the ultimate parent company Omnicom Group Inc., USA. The annual report can be obtained on the Company's web site: <https://investor.omnicomgroup.com/financials/annual-reports/default.aspx>.

#### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Omnicom Media Group A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. An overview of the group appears on page 8.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

##### Income statement

###### Revenue

Revenue consists of media revenue and revenue regarding consultancy services.

Media invoicing to customers is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Media revenue is measured ex. VAT, tax charged and rebates in connection with the sale. We act as an agent and revenue is recognised as invoicing to customers less media expenses.

In our business we incur third-party costs on behalf of clients. Third-party direct costs include, among others: purchased media, studio production services, including artists and other freelance labor, market research and third-party data and other related expenditures.

The inclusion of billings related to third-party direct costs in revenue depends on whether we act as a principal or as an agent in the client arrangement. In our businesses, including advertising, which also includes studio production efforts and media planning and buying services, we act as an agent and arrange, at the client's direction, for third parties to perform certain services.

In these cases, we do not control the goods or services prior to the transfer to the client. As a result, revenue is recorded net of these costs, equal to the amount retained for our fee or commission.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Revenue (continued)

Contract work in progress is recognised as revenue as the production is carried out. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method). Revenue is recognised when total income and expenses and the stage of completion of the contract at the balance sheet date can be reliably calculated and when it is probable that the economic benefits, including payment, will flow to the Group.

##### Other external costs

Other external costs comprise costs for sale, advertising, administration, rent, etc.

##### Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pensions and other social security costs, etc., to the Company's employees excluding refunds from public authorities.

##### Incentive programmes

The value of services received in exchange for granted options is measured at fair value of the options granted at the time of grant.

The value of the options is measured on each balance sheet day and at final settlement and changes in the value of the options are recognised in the income statement under staff costs proportionally in line with the vesting period where the employee has the right to exercise the options. The offset is being accounted for under liabilities in the balance sheet.

##### Income from investments in group subsidiaries

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of internal gains/losses.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amount relating to the financial year. Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on account tax scheme, etc.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Tax on profit for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company is jointly taxed with the other Omnicom companies in Denmark. The tax effect of the joint taxation is allocated in proportion to the taxable income (full absorption).

##### Balance sheet

##### Software

Software includes software from third parties and software development projects.

Third party software comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Development costs comprise costs, wages and salaries directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Software recognised in the balance sheet is measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work/when the asset is available for use, software costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 3-5 years.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Fixtures and fittings and tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Leasehold improvements	During the lease period
Other fixtures and fittings, tools and equipment	3-5 years

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

##### Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies minus or plus unrealised intra-group profits and losses and goodwill.

Participating interests (including associates) with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Net revaluation of investments in subsidiaries is transferred to the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

##### Deposits

Deposits are measured at amortised cost.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made.

##### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract work in progress.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Contract work in progress is recognised in the balance sheet under receivables or payables, depending on the net amount of the selling price less progress billings and prepayments.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

###### Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year (declaration date) is disclosed as a separate item under equity.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and equity.

##### Current liabilities

Liabilities, which comprise trade and other payables and amount owed to group enterprises, are measured at amortised cost, substantially corresponding to nominal value.

Deferred income recognised as liabilities include incoming payments regarding income in following years.

##### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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.

## 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 profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

##### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities, intangible assets, property, plant and equipment and investments.

##### Cash flows from financing activities

Cash flows from financing activities comprise purchase and sale of treasury shares, payments arising from increases or reductions in capital and related costs as well as the payment of dividends to shareholders and the raising and repayment of interest-bearing debt.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less, which are easily convertible into cash, and which are subject to only an insignificant risk of changes in value.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

DKK'000	Group		Parent Company	
	2022	2021	2022	2021
<b>2 Revenue</b>				
Invoicing to customers	1,381,173	1,282,603	95,220	105,542
Media expenses, etc.	-1,187,584	-1,112,577	-8,764	-11,817
<b>Total revenue</b>	<b>193,589</b>	<b>170,026</b>	<b>86,456</b>	<b>93,725</b>
<b>3 Staff costs</b>				
Wages and salaries	112,237	95,333	42,823	46,738
Pensions	7,678	6,569	3,317	3,486
Other social security costs	1,627	1,202	722	549
	<b>121,542</b>	<b>103,104</b>	<b>46,862</b>	<b>50,773</b>
Average number of full-time employees	208	181	88	92

### Incentive programs

Senior executive members have been governed by discretionary incentive programs from Omnicom Group Inc. Vesting/settlement requires continued employment.

Remaining value of:

Restricted stock units granted 2019	581	871	581	871
Restricted stock units granted 2022	1,559	0	1,559	0
	<b>2,140</b>	<b>871</b>	<b>2,140</b>	<b>871</b>

		2022	
		Group	Parent Company
<b>Restricted stock units granted</b>			
Number of restricted stock units	2019 grant	1,352	1,352
Remaining exercise/vesting period in years	2019 grant	2	2
Number of restricted stock units	2022 grant	3,305	3,305
Remaining exercise/vesting period in years	2022 grant	5	5
Stock price/share USD		81.57	81.57
Closing rate DKK/USD		6.9514	6.9514
Closing value (DKK'000)		567	567

In accordance with section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed. No remuneration has been paid to the Board of Directors.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 4 Income from investments in subsidiaries

	Parent Company	
	2022	2021
Income from investments in subsidiaries	22,252	15,868
	<u>22,252</u>	<u>15,868</u>

DKK'000	Group		Parent Company	
	2022	2021	2022	2021
<b>5 Financial income</b>				
Interest income received from associates	65	0	1	0
	<u>65</u>	<u>0</u>	<u>1</u>	<u>0</u>

#### 6 Financial expenses

Other financial expenses	884	801	481	465
	<u>884</u>	<u>801</u>	<u>481</u>	<u>465</u>

#### 7 Tax on profit for the year

Current tax for the year	6,882	7,243	662	2,584
Deferred tax for the year	-372	-412	-268	-291
Adjustment of tax concerning previous years	-933	0	0	-291
	<u>5,577</u>	<u>6,831</u>	<u>394</u>	<u>2,293</u>

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 8 Intangible assets

	Group Software
DKK'000	
Cost at 1 January 2022	4,956
Additions for the year	0
Disposals for the year	0
Cost at 31 December 2022	4,956
Impairment losses and depreciation at 1 January 2022	-3,078
Depreciation for the year	-1,197
Depreciation on disposed assets	0
Impairment losses and depreciation at 31 December 2022	-4,275
<b>Carrying amount at 31 December 2022</b>	<b>681</b>
	Parent Company Software
DKK'000	
Cost at 1 January 2022	4,956
Additions for the year	0
Disposals for the year	0
Cost at 31 December 2022	4,956
Impairment losses and depreciation at 1 January 2022	-3,078
Depreciation for the year	-1,197
Depreciation on disposed assets	0
Impairment losses and depreciation at 31 December 2022	-4,275
<b>Carrying amount at 31 December 2022</b>	<b>681</b>



## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

DKK'000	Parent Company	
	2022	2021
<b>10 Investments in subsidiaries</b>		
Cost at 1 January	15,273	14,873
Additions for the year	800	400
Cost at 31 December	16,073	15,273
Revaluations at 1 January	48,042	32,464
Net profit for the year	22,252	15,868
Dividend to the Parent Company	-14,000	0
Negative investment moved to amount owed by group entities	0	-291
Revaluations at 31 December	56,293	48,042
<b>Carrying amount at 31 December</b>	<b>72,366</b>	<b>63,314</b>

Investments in subsidiaries are specified as follows:

Name/legal form	Registered office	Equity interest	Equity DKK'000	Net profit for the year DKK'000
Subsidiaries:				
OMD Denmark A/S	Copenhagen	100%	44,831	12,096
PHD Copenhagen A/S	Copenhagen	100%	17,860	3,620
Hearts & Science A/S	Copenhagen	100%	4,500	2,550
Transact Denmark A/S	Copenhagen	100%	4,391	4,002
Annalect Denmark A/S	Copenhagen	100%	384	-16
TRKKN Nordic A/S	Copenhagen	100%	400	0
			<b>72,366</b>	<b>22,252</b>

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

DKK'000	Group		Parent Company	
	2022	2021	2022	2021
<b>11 Contract work in progress</b>				
Contract work in progress	144	1,746	24	964
Work in progress, payments received on account	0	-2,519	0	-1,143
	<u>144</u>	<u>-773</u>	<u>24</u>	<u>-179</u>
Recognised as follows in the balance sheet:				
Contract work in progress recognised in assets	144	2,483	24	1,282
Contract work in progress recognised in liabilities	0	-3,256	0	-1,461
	<u>144</u>	<u>-773</u>	<u>24</u>	<u>-179</u>
<b>12 Deferred tax (negative = liability)</b>				
Deferred tax at 1 January	248	-164	90	-201
Deferred tax adjustment	372	412	268	291
	<u>620</u>	<u>248</u>	<u>358</u>	<u>90</u>

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 13 Contractual obligations and contingencies, etc.

##### Contingent liabilities/Rental obligations

DKK'000	Group	Parent Company
Lease obligations falling due within 1 year	5,615	5,594
Lease obligations falling due within 2-5 years	5,292	5,292
	<u>10,907</u>	<u>10,886</u>

The office lease contracts have a period of interminability at 6 months.

##### Joint taxation

The Company is jointly taxed with the group of Danish subsidiaries, with Omnicom Media Group A/S as administrative company. The administrative company, together with the group of Danish subsidiaries included in the joint taxation, has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends and interest. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase.

DKK'000	Group		Parent Company	
	2022	2021	2022	2021

#### 14 Related parties and ownership

Purchase of services from Group enterprises	-15,741	-12,430	-11,724	-7,846
Sale of services from Group enterprises	16,939	15,657	78,651	90,510
	<u>1,198</u>	<u>3,227</u>	<u>66,927</u>	<u>82,664</u>

Omnicom Media Group A/S' related parties include Optimum Media Direction A/S, Omnicom Media Group Europe Limited and OmnicomGroup Inc.

Omnicom Media Group A/S' related parties with significant influence comprise Group enterprises, the Boards of Directors, Executive Boards and executive employees of the companies and their family members. Furthermore, related parties comprise companies in which the abovementioned persons have significant interests.

## Consolidated financial statements and Parent Company financial statements 1 January – 31 December

### Notes

#### 14 Related parties and ownership (continued)

Purchase of services from Group enterprises consists of management fee, IT costs and handling fees.

Sale of services to Group enterprises consists of management fee, facility services, administration services, IT costs and handling fees.

#### Controlling interest

Omnicom EMEA Holdings Limited, Bankside 3, 90 - 100 Southwark Street, London SE1 0SW, Storbritannien.

#### Ownership

According to the register of shareholders, the following shareholders control minimum 5% of the votes or own minimum 5% of the share capital:

DHE Regional Ltd.  
Bankside 3, 90 - 100 Southwark Street  
London SE1 0SW  
Storbritannien

BBDO EMEA Limited  
Bankside 3, 90 - 100 Southwark Street  
London SE1 0SW  
Storbritannien

Omnicon Media Group Europe Limited  
Bankside 3, 90 - 100 Southwark Street  
London SE1 0SW  
Storbritannien

#### Consolidated annual report

The supreme parent is Omnicom Group Inc., and their consolidated annual report can be required at:

Omnicom Group Inc.  
437 Madison Avenue  
New York, New York 10022