

2015

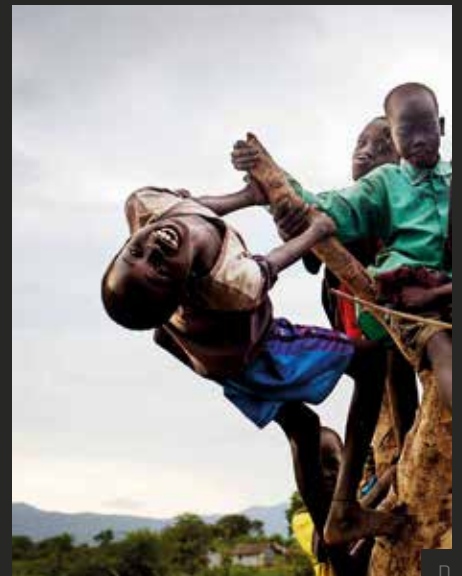
INTELLECTA
FINANCIAL STATEMENTS

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41%

GROWTH OF
AGENCY INCOME
2015



CONTENTS

Consolidated income statement	3
Consolidated statement of comprehensive income	4
Consolidated balance sheet	5
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	9
Income statement – parent company	10
Balance sheet – parent company	11
Parent company statement of changes in equity	13
Cash flow statement – parent company	14

Intellecta

An agile global marketing communications group with Scandinavian roots operating at the convergence of creative communications and digital technology.

We offer our customers and people the strength of our network combined with the edge of the specialized agency.

Cover facts: Four current client cases, from left to right:

YMCA of the Greater Twin Cities, USA, selected FFW as its new digital partner. The assignment include a customer experience platform built on the new Drupal 8 to better serve the community and offer easier online access to programs and services including fitness, child care, camps, swimming and water safety lessons and much more.

Batterijakten 2 is the sequel to Batterijakten 1, game that in a playful way let children learn more about battery recycling, aiming to make learning fun and engaging! The game is developed by ISBIT GAMES for Varta, Clas Ohlson and Håll Sverige Rent. The game was released in February 2016 and got off with a booming start. Praised by reviewers, 5/5 stars from papparsappar.se and has already more than 40 000 downloads. On top of this the first game has also seen some boost, increasing its total with 10 000 extra downloads so far.

When the Swedish International Development Cooperation Agency (SIDA) decided to turn its magazine **OmVärlden** into a completely digital magazine, they turned to Intellecta Corporate. With a great sense for the subject and with solid consumer insights a digital concept was developed focusing on images and content of the highest quality.

Storytels success has been developed by the Intellecta agencies Rewir, Unreel and Wow Events. The winter campaign 2016 is based on films showing how every day life is transformed to new experiences thanks to audio books from Storytel.

Read more about these and other cases on <http://intellecta.com/case/>

CONSOLIDATED INCOME STATEMENT

	Group	
AMOUNTS IN SEK T	150101– 151231	140101– 141231
Net sales	469,226	387,922
Change in work in progress	5,413	5,040
Other operating income	11,496	27,767
Total income	486,135	420,729
Raw materials and consumables	-69,070	-82,110
Other external expenses	-80,649	-96,205
Personnel expenses	-306,176	-230,279
Depreciation/amortization	-4,975	-4,931
Impairment of intangible	–	-20,894
Other operating expenses	-594	-82
Total expenses	-461,464	-434,501
Operating profit (loss)	24,671	-13,772
Financial income	1,983	2,994
Financial expenses	-4,195	-1,736
Profit (loss) before tax	22,459	-12,514
Income tax	-10,357	1,212
Profit (loss)	12,102	-11,302
Attributable to:		
– Parent company shareholders	7,811	-17,779
– Non-controlling interests	4,291	6,477
Profit (loss) for the year	12,102	-11,302

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group	
AMOUNTS IN SEK T	150101– 151231	140101– 141231
Profit (loss) for the year	12,102	-11,302
Items that may be reversed in the income statement		
Transfer between non-restricted equity attributable to non-controlling interests and parent company shareholders	-4,139	–
Translation differences on translation of foreign operations	-2,551	3,665
Total items that may be reversed in the income statement	-6,690	3,665
Other comprehensive income, net after tax	5,412	-7,637
Total comprehensive income	5,412	-7,637
Attributable to:		
– Parent company shareholders	3,419	-14,800
– Non-controlling interests	1,993	7,163
Total comprehensive income	5,412	-7,637
Earnings per share, on profit for the year attributable to parent company shareholders (SEK per share)		
Profit (loss) for the year	1.75	-4.05
Number of shares at end of period	4,539,449	4,421,355
Number of shares at end of period, not incl. repurchased own shares before and after dilution	4,529,449	4,411,355
Number shares, average not incl. repurchased own shares before and after dilution	4,493,112	4,401,342
Closing day rate	34.50	30.30

CONSOLIDATED BALANCE SHEET

AMOUNTS IN SEK T	Group	
	151231	141231
ASSETS		
Non-current assets		
Capitalized development expenditure	8,502	3,008
Brands	12,406	13,739
Customer relations	12,209	13,739
Goodwill	243,085	178,621
Investments in leased premises	78	363
Equipment, tools and installations	5,952	4,125
Deferred tax assets	4,957	7,301
Other non-current receivables	1,556	5,514
	288,745	226,410
Current assets		
Work in progress	49,810	44,430
Accounts receivable	85,126	52,156
Tax receivables	9,031	4,293
Other receivables	9,033	10,660
Current receivables from sale of subsidiary	–	20,177
Prepaid expenses and accrued income	20,265	9,673
Cash and cash equivalents	5,908	8,145
	179,173	149,534
Total assets	467,918	375,944

CONSOLIDATED BALANCE SHEET

AMOUNTS IN SEK T	Group	
	151231	141231
EQUITY		
Equity and reserves that may be attributable to parent company shareholders		
Share capital	6,809	6,632
Other contributed capital	69,362	64,956
Reserves	-1,113	-860
Profit brought forward	111,874	106,841
Total equity attributable to parent company shareholders	186,932	177,569
Non-controlling interests	8,760	12,893
Total equity	195,692	190,462
LIABILITIES		
Non-current liabilities		
Borrowings	28,313	11,516
Deferred tax liabilities	11,875	13,507
Other non-current liabilities	32,593	16,575
	72,781	41,598
Current liabilities		
Borrowings	68,679	6,403
Advance payments from customers	32,285	41,008
Accounts payable	25,119	20,881
Current tax liabilities	12,479	11,191
Other liabilities	39,411	38,200
Accrued expenses and deferred income	21,472	26,201
	199,445	143,884
Total equity and liabilities¹⁾	467,918	375,944
1) Of which interest-bearing liabilities, SEK m	97.0	17.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN SEK T	Attributable to parent company shareholders					Non-controlling interest ³⁾	Total equity
	Share capital	Other contributed capital ¹⁾	Reserves ²⁾	Profit brought forward	Total		
Opening balance, 2014-01-01	6,437	60,223	-3,839	153,956	216,777	2614	219,391
Comprehensive income							
Profit (loss) for the year	-	-	-	-17,779	-17,779	6,477	-11,302
Other comprehensive income							
Translation difference foreign operations	-	-	2,979	-	2,979	686	3,665
Total other comprehensive income	-	-	2,979	-	2,979	686	3,665
Total comprehensive income	-	-	2,979	-17,779	-14,800	7,163	-7,637
Transactions with shareholders							
Transactions with non-controlling interests	-	-	-	-	-	1,928	1,928
Unconditional shareholders' contribution	-	-	-	-	-	1,188	1,188
Share-based incentive program	-	-72	-	-	-72	-	-72
New share issue	195	4,805	-	-	5,000	-	5,000
Dividends	-	-	-	-29,336	-29,336	-	-29,336
Total transactions with shareholders	195	4,733	-	-29,336	-24,408	3,116	-21,292
Closing balance, 2014-12-31	6,632	64,956	-860	106,841	177,569	12,893	190,462

1) Other contributed capital consists of shares issued at a premium and premiums for warrants.

2) Pertains to translation difference, foreign operations.

3) Pertains to acquisition of non-controlling interests in Propeople Group ApS, River Cresco AB and Blink Reaction LLC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN SEK T	Attributable to parent company shareholders					Non-controlling interest ³⁾	Total equity
	Share capital	Other contributed capital ¹⁾	Reserves ²⁾	Profit brought forward	Total		
Opening balance, 2015-01-01	6,632	64,956	-860	106,841	177,569	12,893	190,462
Comprehensive income							
Profit (loss) for the year	-	-	-	7,811	7,811	4,291	12,102
Other comprehensive income							
Transfer between non-restricted equity attributable to non-controlling interests and parent company shareholders	-	-	-	-4,139	-4,139	-	-4,139
Translation difference foreign operations	-	-	-253	-	-253	-2,298	-2,551
Total other comprehensive income	-	-	-253	-4,139	-4,392	-2,298	-6,690
Total comprehensive income	-	-	-253	3,672	3,419	1,993	5,412
Transactions with shareholders							
Acquisitions	-	-	-	4,670	4,670	1,167	5,837
Share-based incentive program	-	271	-	-	271	-	271
New share issue	177	4,135	-	-	4,312	-	4,312
Dividends	-	-	-	-3,309	-3,309	-7,293	-10,602
Total transactions with shareholders	177	4,406	-	1,361	5,944	-6,126	-182
Closing balance, 2015-12-31	6,809	69,362	-1,113	111,874	186,932	8,760	195,692

1) Other contributed capital consists of shares issued at a premium and premiums for warrants.

2) Pertains to translation difference, foreign operations.

3) Pertains to acquisition of non-controlling interests in Propeople Group ApS, River Cresco AB and Blink Reaction LLC.

CONSOLIDATED STATEMENT OF CASH FLOWS

AMOUNTS IN SEK T	Group	
	150101– 151231	140101– 141231
Operating activities		
Profit (loss) before tax	22,459	-12,514
Adjustment for items not included in cash flow	-3,122	2,446
	19,337	-10,068
Taxes paid	-7,915	-437
Cash flow before changes in working capital	11,422	-10,505
Increase (-)/decrease (+) in inventories	-5,380	-6,503
Increase (-)/decrease (+) in current receivables	-8,075	6,182
Increase (+)/decrease (-) in current liabilities	3,712	19,332
Total cash flow from operating activities	1,679	8,506
Investing activities		
Investments in intangible assets	-5,402	-3,008
Investments in property, plant and equipment	-7,437	-1,716
Acquisition of businesses	-59,820	-20,697
Change in non-current receivables	-	-6,341
Cash flow from investing activities	-72,659	-31,762
Financing activities		
Change in long-term borrowings	16,797 ¹⁾	-4,456 ¹⁾
Change in short-term borrowings	62,276 ²⁾	292 ²⁾
Paid dividends	-10,601	-29,336
Unconditional shareholders' contribution	-	2,500
Payment for employee stock options	271	-72
Cash flow from financing activities	68,743	-31,072
Cash flow for the year	-2,237	-54,328
Cash and cash equivalents at beginning of year	8,145	62,473
Cash and cash equivalents at year-end	5,908	8,145

1) Of which borrowings SEK 16 797 (-) thousand and amortization SEK - (-) thousand.

2) Of which borrowings SEK 69 110 (-) thousand and amortization SEK 6 834 (6 111) thousand.

INCOME STATEMENT – PARENT COMPANY

AMOUNTS IN SEK T	Parent company	
	150101– 151231	140101– 141231
Net sales	16,430	23,672
Other operating income	20,197	15,406
Total operating income	36,627	39,078
Other external expenses	-28,985	-36,582
Personnel expenses	-15,843	-16,593
Depreciation/amortization	-315	-613
Total operating expenses	-45,143	-53,788
Operating profit (loss)	-8,516	-14,710
Group contributions received	4,363	4,776
Group contributions paid	-3,244	-10,590
Profit from participations in Group companies	6,516	-
Financial income and similar profit or loss items	2,804	4,561
Financial expenses and similar profit or loss items	-1,665	-1,055
Profit (loss) after financial items	258	-17,018
Appropriations	5,779	9,786
Profit (loss) before tax	6,037	-7,232
Tax on profit for the year	-31	1,383
Profit (loss)	6,006	-5,849
Other comprehensive income, net after tax	-	-
Total comprehensive income	6,006	-5,849

BALANCE SHEET – PARENT COMPANY

AMOUNTS IN SEK T	Parent company	
	151231	141231
ASSETS		
Non-current assets		
Property, plant and equipment		
Equipment, tools and installations	385	365
	385	365
Financial assets		
Participations in subsidiaries	283,870	281,706
Deferred tax assets	4,816	4,848
Receivables from subsidiaries	76,042	2,240
Other non-current receivables	–	3,199
Endowment insurance	991	671
	365,719	292,664
Total non-current assets	366,104	293,029
Current assets		
Accounts receivable	1,031	3,260
Receivables from subsidiaries	4,430	4,147
Tax assets	628	437
Short-term securities	–	20,177
Other receivables	2,980	5,897
Prepaid expenses and accrued income	3,557	2,528
	12,626	36,446
Cash and bank balances	–	175
	–	175
Total current assets	12,626	36,621
Total assets	378,730	329,650

BALANCE SHEET – PARENT COMPANY

AMOUNTS IN SEK T	Parent company	
	151231	141231
EQUITY		
Restricted equity		
Share capital	6,809	6,632
Premiums for warrants	2,350	2,079
Statutory reserves	20,052	20,052
	29,211	28,763
Non-restricted equity		
Share premium reserve	67,012	62,877
Profit brought forward	103,921	113,079
Profit (loss) for the year	6,006	-5,849
	176,939	170,107
Total equity	206,150	198,870
UNTAXED RESERVES		
Untaxed reserves	24,510	30,289
PROVISIONS		
Provision for pensions	991	671
LIABILITIES		
Non-current liabilities		
Borrowings	28,313	11,516
Liabilities to subsidiaries	6,688	-
Other non-current liabilities	25,062	15,168
	60,063	26,684
Current liabilities		
Borrowings	40,669	6,403
Advance payments from customers	970	3,569
Accounts payable	5,486	5,590
Liabilities to subsidiaries	14,583	26,078
Other liabilities	19,168	26,469
Accrued expenses and deferred income	6,140	5,027
	87,016	73,136
Total liabilities	147,079	99,820
Total equity and liabilities¹⁾	378,730	329,650
MEMORANDUM ITEMS		
Pledged assets	17,000	11,000
Contingent liabilities	-	-
1) Of which interest-bearing liabilities, SEK m	69.0	17.9

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN SEK T	Share capital	Premiums for warrants	Statutory reserves	Share premium reserve	Non-restricted equity	Profit (loss) for the year	Total equity
Opening balance, 2014-01-01	6,437	2,151	20,052	58,072	115,549	26,866	229,127
Profit (loss) brought forward	-	-	-	-	26,866	-26,866	-
Profit (loss) for the year	-	-	-	-	-	-5,849	-5,849
Total comprehensive income	-	-	-	-	26,866	-32,715	-5,849
Transactions with shareholders							
Share-based incentive program	-	-72	-	-	-	-	-72
New share issue	195	-	-	4,805	-	-	5,000
Dividends paid to parent company shareholders	-	-	-	-	-29,336	-	-29,336
Total transactions with shareholders	195	-72	-	4,805	-29,336	-	-24,408
Opening balance, 2015-01-01	6,632	2,079	20,052	62,877	113,079	-5,849	198,870
Profit (loss) brought forward	-	-	-	-	-5,849	5,849	-
Profit (loss) for the year	-	-	-	-	-	6,006	6,006
Total comprehensive income	-	-	-	-	-5,849	11,855	6,006
Transactions with shareholders							
Share-based incentive program	-	271	-	-	-	-	271
New share issue	177	-	-	4,135	-	-	4,312
Dividends paid to parent company shareholders	-	-	-	-	-3,309	-	-3,309
Total transactions with shareholders	177	271	-	4,135	-3,309	-	1,274
Closing balance, 2015-12-31	6,809	2,350	20,052	67,012	103,921	6,006	206,150

Share capital consists of 256,000 class A shares at SEK 1.50 and 4,283,449 class B shares at SEK 1.50.

Dividends

The Board of Directors proposes holding the Annual General Meeting on 12 May 2016 and to distribute as dividends to shareholders SEK 0.90 (0.75) per share. The proposed dividend amounts to SEK 4.1 (3.3) million.

STATEMENTS OF CASH FLOW

– PARENT COMPANY

AMOUNTS IN SEK T	Parent Company	
	150101– 151231	140101– 141231
Operating activities		
Profit (loss) after financial items	258	-17,018
Adjustment for items not included in cash flow	-8,901	6,048
	-8,643	-10,970
Taxes paid	-	-437
Cash flow before changes in working capital	-8,643	-11,407
Increase [-]/decrease [+] in current receivables	8,006	688
Increase [+] /decrease [-] in current liabilities	-15,456	17,082
Total cash flow from operating activities	-16,093	6,363
Investing activities		
Acquisition of subsidiary	-60,599	-25,403
Investments in property, plant and equipment	-377	-161
Amortization of non-current receivables	-	3,442
Cash flow from investing activities	-60,976	-22,122
Financing activities		
Change in long-term borrowings	16,797	-4,456
Change in short-term borrowings	34,266	-10,272
Dividends paid	-3,309	-29,336
Share-based incentive program	271	-72
Cash flow from financing activities	48,025	-44,136
Cash flow for the year	-29,044	-59,895
Cash and cash equivalents at beginning of year	175	60,070
Bank overdraft facility utilized/Cash flow for the year	-28,869	175

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