

# IMPACT A/S

Søren Frichs Vej 44 D, 8230 Åbyhøj

CVR no. 25 85 88 32

## Annual report 2019

Approved at the Company's annual general meeting on 26 March 2020

Chairman:

.....  
Heine Kaasgaard Bang





## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	10
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes to the financial statements	14

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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of IMPACT 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 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.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Åbyhøj, 26 March 2020  
Executive Board:

.....  
Kasper Holst

.....  
Jens Mikkelsen

Board of Directors:

.....  
Heine Kaasgaard Bang  
Chairman

.....  
Kasper Holst

.....  
Nicolai Broby Eckert

.....  
Morten Holst

.....  
Nicolaj Vang Jessen

## Independent auditor's report

To the shareholder of IMPACT A/S

### Opinion

We have audited the financial statements of IMPACT 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 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 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 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 rules and requirements.

### 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 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 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 the 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

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

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

### Statement on 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 26 March 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Henrik Pungvig Jensen  
State Authorised Public Accountant  
mne24825



## Management's review

### Company details

Name	IMPACT A/S
Address, Postal code, City	Søren Frichs Vej 44 D, 8230 Åbyhøj
CVR no.	25 85 88 32
Established	19 January 2001
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Heine Kaasgaard Bang, Chairman Kasper Holst Nicolai Broby Eckert Morten Holst Nicolaj Vang Jessen
Executive Board	Kasper Holst Jens Mikkelsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

## Management's review

### Financial highlights

DKK	2019	2018	2017
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#### Key figures

Gross margin	107,083,864	86,409,143	81,504,597
Operating profit/loss	10,814,865	7,576,480	10,925,465
Net financials	34,487	-18,634	-26,087
<b>Profit for the year</b>	<b>8,508,000</b>	<b>5,932,796</b>	<b>8,436,375</b>

Total assets	52,271,476	37,429,519	36,199,323
Investment in property, plant and equipment	587,188	2,388,915	2,118,053
<b>Equity</b>	<b>20,672,585</b>	<b>16,164,585</b>	<b>17,231,789</b>

#### Financial ratios

Return on assets	24.1%	20.6%	31.8%
Current ratio	171.6%	151.7%	175.3%
Equity ratio	39.5%	43.2%	47.6%

<b>Average number of employees</b>	<b>141</b>	<b>122</b>	<b>107</b>
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The financial ratios stated in the survey of financial highlights have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$

## Management's review

### Business review

IMPACT is a digital consultancy specialising in commerce.

The company's DNA is Digital Commerce, People and Results.

Our mission:

Together we transform omnichannel commerce.

We deliver excellent results. Always. That is IMPACT.

IMPACT A/S works in the following business areas of digital commerce:

- ▶ Strategy and growth consulting
- ▶ UX/design and service design
- ▶ Commerce platforms and POS
- ▶ IIT architecture and Cloud integrations
- ▶ Master Data/PIM and Order Management solutions

BI/Analytics, Personalization and Digital Marketing are delivered in alliance with group company IMPACT Extend A/S.

### Strategy

The name IMPACT reflects the company's trademark: Transformation and results for its customers.

The company's vision is "Leading Digital Commerce Experience in Europe".

In other words, become the consultancy that delivers Europe's leading end customer experience and supports the highest growth for our customers. This will be achieved by transforming and optimising the entire customer journey by applying the market's strongest expertise in the areas of strategy, design/concept, commerce platforms and data/optimisation.

The purpose of the 2020 "Taking the Lead" strategy is to ensure that the company achieves its milestone for the first three years on the way to Vision 2025:

- ▶ The highest level of customer satisfaction in the field
- ▶ Distinguished top-ranked player in Scandinavia in the field of digital commerce
- ▶ European presence
- ▶ The most attractive workplace with the most exciting projects
- ▶ The strongest skill-sets and the highest degree of innovation.

Our goal is to be the most results driven and to be thought leader. With a sustainable model that ensures unique sector knowledge and a powerful connection between customer satisfaction and employee satisfaction. We strive to provide extraordinary experiences for everyone who engages with IMPACT.

### Customers

IMPACT has built up unique sector experience within selected sectors.

In 2019, the customer portfolio was enhanced by 14 leading companies in the following segments:

- ▶ Consumer Brands and Retail
- ▶ Wholesalers/Distributors and Manufacturers
- ▶ Telco and Service Retail

A high volume of projects and ongoing optimisations has been delivered to existing customers, which has resulted in these customers achieving significantly higher growth in their digital turnover.



## Management's review

### Consulting Services and Technology

A partnership with IMPACT gives customers access to unique sector experience - strategically, tactically and operationally - for driving their omnichannel commerce.

IMPACT's strategy is to use the leading method/technology at any time to secure results for its customers in the form of ideal processes and higher sales.

In terms of technology, our IT architects and seasoned developers deliver the market's most well conceived solutions, ensuring efficient processes for the company and unique customer experiences for the end customer.

#### SalesForce

IMPACT strives to be the front runner within SalesForce Commerce and SalesForceMarketing Cloud in Scandinavia. IMPACT was the first partner in Scandinavia providing SalesForce Commerce Cloud and SalesForce Marketing Cloud. Combined with in depth understanding of CRM and SalesCloud, this is a unique offering in Scandinavia. IMPACT had in 2019 the first Scandinavian launch of a global B2B platform on SalesForce B2B Commerce.

#### Episerver

IMPACT were among the European consultancies with most new EPIServer commerce including launch of several EPI Cloud platforms that will qualify for Awards nominations in 2020.

#### Sitecore

Measured in terms of number of solutions delivered, IMPACT is the most experienced digital commerce partner in the world in the area of Sitecore technology. IMPACT is one of a few Sitecore Platinum Partners. IMPACT is a frontrunner in terms of high performance, headless, Sitecore in Azure Cloud and optimising the use of new features and sub systems.

#### Umbraco

IMPACT was announced at Umbraco Gold Partner and delivered cutting edge headless commerce solutions on the platform.

#### Other technologies

InRiver, Stibo, SOLR, ElasticSearch, New Store and Raptor are other important cloud applications which IMPACT excels at implementing. In terms of technology and architecture, IMPACT is a first mover in enabling global commerce with Microsoft Azure , microservices and JavaScript technologies.

#### Analytics/BI and data driven marketing

Data driven marketing and personalisation are delivered in alliance with group company IMPACT Extend. Combining in depth commercial and technological understanding with expertise in marketing methodology ensures that customers can realise their full potential by using customer data from several channels. This is put into practice in deliveries that support B2B digital, CRM, CDP, recommendation engines and retail customer clubs/loyalty programmes. IMPACT Extend can provide advice concerning all marketing platforms and has strategic partnerships with leading vendors of marketing automation and personalisation platforms.

### Organisation and processes

We have continued to focus on strengthening our processes and expertise, giving particular priority to developing skill sets in the fields of strategy, IT architecture, cloud technology and BI/Analytics.

Over the year, the number of employees has risen sharply, and the general level of expertise has been strengthened. The Group employs more than 200 digital commerce experts and it is the largest consulting firm in Denmark in its field.

The goal is to attract and retain the most highly skilled experts in the sector and an influx of distinguished senior profiles in 2020.

The company has positioned itself as a dynamic and attractive workplace focused on innovative solutions which exploit the potential of new digital technologies and data driven sales/marketing. The personal development of each individual employee has top priority.

## Management's review

### Financial review

IMPACT is positioning itself with increasing strength as a leading player in the Scandinavian market for digital commerce.

The company's declared goal is to generate the best results in the sector for its customers and ensure the sector's highest level of customer satisfaction.

IMPACT achieved growth rate of 24% in 2019 measured in terms of gross profits adjusted for activities transferred to group entities.

The income statement for 2019 shows a profit before tax of KDKK 11,014 against a profit before tax of KDKK 7,672 last year, and the balance sheet at 31 December 2019 shows equity of KDKK 20,673. Management consider the Company's financial performance in 2019 satisfactory.

Investments have been made in new technology, organisation and customers.

### Special risks

The Company is not exposed to special risks except for what is usual to the line of business.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

### Outlook

The company continues to focus on sales improvements and expects to realise profit before tax for 2020 at the level realised in 2019.

Impact of Covid-19 virus outbreak is challenging to estimate. The impact to the business depends on the duration of the outbreak, restrictive measures and macroeconomic reactions. IMPACT A/S is a digital consultancy company specialized in digital commerce and business operations can be maintained under restrictive conditions. Lockdown limiting virus outbreak can slow down business growth and development.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2019	2018
	<b>Gross profit</b>	107,083,864	86,409,143
2	Staff costs	-94,192,767	-77,317,060
	Amortisation of intangible assets and property, plant and equipment	-1,911,231	-1,401,741
	<b>Profit before net financials</b>	10,979,866	7,690,342
3	Financial income	109,579	20,103
	Financial expenses	-75,092	-38,737
	<b>Profit before tax</b>	11,014,353	7,671,708
4	Tax for the year	-2,506,353	-1,738,912
	<b>Profit for the year</b>	8,508,000	5,932,796

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	<b>Intangible assets</b>		
	Completed development projects	0	0
	Acquired intangible assets	348,364	704,632
		<u>348,364</u>	<u>704,632</u>
6	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	2,052,409	2,250,528
	Leasehold improvements	410,271	1,130,104
		<u>2,462,680</u>	<u>3,380,632</u>
7	<b>Investments</b>		
	Deposits, investments	1,501,038	1,491,297
		<u>1,501,038</u>	<u>1,491,297</u>
	<b>Total fixed assets</b>	<u>4,312,082</u>	<u>5,576,561</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	41,360,319	24,550,644
8	Work in progress for third parties	258,830	1,886,012
	Receivables from group entities	916,069	2,018,080
	Income taxes receivable	0	39,150
	Other receivables	1,296,337	493,951
9	Prepayments	2,778,129	2,305,150
		<u>46,609,684</u>	<u>31,292,987</u>
	<b>Cash</b>	1,349,710	559,971
	<b>Total non-fixed assets</b>	<u>47,959,394</u>	<u>31,852,958</u>
	<b>TOTAL ASSETS</b>	<u><u>52,271,476</u></u>	<u><u>37,429,519</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
10	Share capital	500,000	500,000
	Retained earnings	20,172,585	11,664,585
	Dividend proposed for the year	0	4,000,000
	<b>Total equity</b>	<u>20,672,585</u>	<u>16,164,585</u>
	<b>Provisions</b>		
11	Deferred tax	294,800	264,400
13	<b>Total provisions</b>	<u>294,800</u>	<u>264,400</u>
	<b>Liabilities other than provisions</b>		
12	<b>Non-current liabilities other than provisions</b>		
	Other payables	3,360,024	0
		<u>3,360,024</u>	<u>0</u>
	<b>Current liabilities other than provisions</b>		
	Prepayments received from customers	1,010,622	380,150
	Trade payables	6,272,783	5,019,356
	Payables to group entities	3,957,413	2,344,933
	Income taxes payable	2,475,952	0
	Deposits	45,000	0
	Other payables	13,440,948	12,500,532
14	Deferred income	741,349	755,563
		<u>27,944,067</u>	<u>21,000,534</u>
	<b>Total liabilities other than provisions</b>	<u>31,304,091</u>	<u>21,000,534</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>52,271,476</u></u>	<u><u>37,429,519</u></u>

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2019	500,000	11,664,585	4,000,000	16,164,585
18	Transfer, see "Appropriation of profit"	0	8,508,000	0	8,508,000
	Dividend distributed	0	0	-4,000,000	-4,000,000
	<b>Equity at 31 December 2019</b>	<b>500,000</b>	<b>20,172,585</b>	<b>0</b>	<b>20,672,585</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of IMPACT A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company IMPACT Network A/S.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

### Income statement

#### Revenue

Income from the rendering of services includes sale of advisory services for the purpose of creating online strategies, solution implementation and online marketing optimisation at the customer and is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method). The main part of revenue is invoiced based on hours spent rendering advisory services.

Revenue 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 revenue.

#### Gross profit

The items revenue, cost of sales, other operating income and other external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating income

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

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, payments under operating leases, 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

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

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:

Completed development projects	3 years
Acquired intangible assets	1-3 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	2-3 years

The residual value of intangible assets, leasehold improvements and other fixtures and fittings, tools and equipment is expected to account for DKK 0.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

##### 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

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 Company and its 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).



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

Intangible assets include capitalised costs in connection with the implementation of a new IT system and licences.

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

Development costs comprise expenses, salaries and amortisation directly or 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 identifiable 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 and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually three years.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

#### 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 costs 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.

#### Investments

Includes deposits from lease of property. Deposits are measured at cost.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

Intangible assets, property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indication of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

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).

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

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

Work in progress includes services provided that have not been invoiced at 31 December. Work in progress is measured at the selling price of the work performed less progress billings. The sales value is calculated based on non-invoiced hours and the expected cover thereof.

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

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.

##### Prepayments

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

##### Cash

Cash and cash equivalents comprise cash at bank.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

##### *Proposed dividends*

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".

##### Income taxes

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.

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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.

##### Other payables

Other payables are measured at net realisable value.

##### Prepayments received from customers

Prepayments from customers comprise payments received concerning income invoiced in the following year.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2019	2018
<b>2 Staff costs</b>		
Wages/salaries	79,220,268	63,253,282
Pensions	6,856,511	5,112,781
Other social security costs	1,163,016	938,713
Other staff costs	6,952,972	8,012,284
	<u>94,192,767</u>	<u>77,317,060</u>
 Average number of full-time employees	 <u>141</u>	 <u>122</u>
 Remuneration to members of Management:		
Executive Board	2,875,502	2,504,778
Board of Directors	270,000	205,000
	<u>3,145,502</u>	<u>2,709,778</u>
 <b>3 Financial income</b>		
Interest receivable, group entities	25,241	20,103
Other financial income	84,338	0
	<u>109,579</u>	<u>20,103</u>
 <b>4 Tax for the year</b>		
Estimated tax charge for the year	2,475,953	1,694,212
Deferred tax adjustments in the year	30,400	44,700
	<u>2,506,353</u>	<u>1,738,912</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Intangible assets

DKK	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2019	1,116,875	1,655,057	2,771,932
Additions in the year	0	49,801	49,801
Cost at 31 December 2019	1,116,875	1,704,858	2,821,733
Impairment losses and amortisation at 1 January 2019	1,116,875	950,425	2,067,300
Amortisation/depreciation in the year	0	406,069	406,069
Impairment losses and amortisation at 31 December 2019	1,116,875	1,356,494	2,473,369
<b>Carrying amount at 31 December 2019</b>	<b>0</b>	<b>348,364</b>	<b>348,364</b>
Amortised over	3 years	1-3 years	

#### 6 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2019	3,906,554	2,952,785	6,859,339
Additions in the year	543,888	43,300	587,188
Cost at 31 December 2019	4,450,442	2,996,085	7,446,527
Impairment losses and depreciation at 1 January 2019	1,656,026	1,822,681	3,478,707
Amortisation/depreciation in the year	742,007	763,133	1,505,140
Impairment losses and depreciation at 31 December 2019	2,398,033	2,585,814	4,983,847
<b>Carrying amount at 31 December 2019</b>	<b>2,052,409</b>	<b>410,271</b>	<b>2,462,680</b>
Depreciated over	3-5 years	2-3 years	

#### 7 Investments

DKK	Deposits, investments
Cost at 1 January 2019	1,491,297
Additions in the year	9,741
Cost at 31 December 2019	1,501,038
<b>Carrying amount at 31 December 2019</b>	<b>1,501,038</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2019	2018
<b>8 Work in progress for third parties</b>		
Selling price of work performed	258,830	1,886,012
	<u>258,830</u>	<u>1,886,012</u>
recognised as follows:		
Work in progress for third parties(assets)	258,830	1,886,012
	<u>258,830</u>	<u>1,886,012</u>

### 9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including, insurance policies, licenses, subscriptions, etc.

DKK	2019	2018
<b>10 Share capital</b>		
Analysis of the share capital:		
450,000 A shares of DKK 1.00 nominal value each	450,000	450,000
50,000 B shares of DKK 1.00 nominal value each	50,000	50,000
	<u>500,000</u>	<u>500,000</u>

A and B shares carries the same voting rights.

The Company's share capital has remained DKK 500,000 over the past 5 years.

### 11 Deferred tax

Deferred tax at 1 January	264,400	219,700
Deferred tax adjustments in the year	30,400	44,700
<b>Deferred tax at 31 December</b>	<u>294,800</u>	<u>264,400</u>

### 12 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	3,360,024	0	3,360,024	0
	<u>3,360,024</u>	<u>0</u>	<u>3,360,024</u>	<u>0</u>

### 13 Provisions

The provision for deferred tax primarily relates to timing differences in respect of prepayments, intangible assets and property, plant and equipment.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 14 Deferred income

Deferred income, consists of payments received from customers that may not be recognised until the subsequent financial year.

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

##### Other contingent liabilities

The Company is jointly taxed with its parent, IMPACT Network A/S, which acts as management company, and together with other jointly taxed group entities, the Company has joint and several liability for payment of income taxes for the income year 2017 onwards as well as withholding taxes on interest, royalties and dividends.

##### Other financial obligations

Other rent and lease liabilities:

DKK	2019	2018
Rent and lease liabilities	6,405,180	7,510,106

#### 16 Collateral

Together with IMPACT Network A/S the Company has provided a guarantee in respect of the group entity IMPACT Extend A/S' balance with its bank.

#### 17 Related parties

IMPACT A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
IMPACT Network A/S	Aarhus, Denmark	Participating interest

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
IMPACT Network A/S	Åbyhøj, Denmark	www.cvr.dk

##### Related party transactions

IMPACT A/S was engaged in the below related party transactions:

DKK	2019	2018
Sale of services	2,371,232	2,641,857
Interest receivable, group entities	25,241	20,103
Receivables from group entities	916,069	2,018,080
Payables to group entities	3,957,413	2,344,933

##### Information on the remuneration to management

Information on the remuneration to Management appears from note 2, "Staff costs".

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
IMPACT Network A/S	Søren Frichs Vej 44D, 8240 Åbyhøj

DKK	<u>2019</u>	<u>2018</u>
<b>18 Appropriation of profit</b>		
<b>Recommended appropriation of profit</b>		
Proposed dividend recognised under equity	0	4,000,000
Retained earnings	8,508,000	1,932,796
	<u>8,508,000</u>	<u>5,932,796</u>



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## Jens Mikkelsen

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## Kasper Holst

### Direktion

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## Heine Kaasgaard Bang

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## Nicolai Broby Eckert

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## Morten Holst

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## Henrik Pungvig Jensen

Statsautoriseret revisor

På vegne af: Ernst & Young P/S

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