

IMPACT A/S

Søren Frichs Vej 44 D, 8230 Åbyhøj

CVR no. 25 85 88 32

Annual report 2020

Approved at the Company's annual general meeting on 23 March 2021

Chair of the meeting:

.....
Heine Kaasgaard Bang





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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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 23 March 2021
Executive Board:

.....
Kasper Holst

.....
Jens Mikkelsen

Board of Directors:

.....
Heine Kaasgaard Bang
Chair

.....
Kasper Holst

.....
Jens Mikkelsen

.....
Nicolai Broby Eckert

.....
Nicolaj Vang Jessen

Independent auditor's report

To the shareholders of IMPACT A/S

Opinion

We have audited the financial statements of IMPACT A/S for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the 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, 23 March 2021
EY 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, Chair Kasper Holst Jens Mikkelsen Nicolai Broby Eckert Nicolaj Vang Jessen
Executive Board	Kasper Holst Jens Mikkelsen
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017
Key figures				
Gross profit	111,057	107,083	86,409	81,505
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	4,520	12,890	9,092	11,997
Operating profit/loss	2,984	10,814	7,576	10,925
Net financials	-281	35	-19	-26
Profit for the year	2,136	8,508	5,933	8,436
Balance sheet				
Total assets	45,446	52,271	37,430	36,199
Investments in property, plant and equipment	631	587	2,389	2,118
Equity	9,809	20,673	16,165	17,232
Financial ratios				
Return on assets	6.1%	24.1%	20.6%	31.8%
Current ratio	160.4%	171.6%	151.7%	175.3%
Equity ratio	21.6%	39.5%	43.2%	47.6%
Average number of employees				
	164	141	122	107

The financial ratios stated under "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
- ▶ IT 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 strategy "Taking lead" defines the company's strategic objectives for 2020/2021. Milestones contained are step stone toward 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 result driven consultancy and to be thought leader in our field. 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.

Management's review

Customers

IMPACT has built up unique sector experience within selected sectors and expertise in global commerce.

In 2020, the customer portfolio was enhanced by 18 leading companies in the following segments:

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

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

Consulting Services and Technology

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

SalesForce

IMPACT strives to be the front runner in Scandinavia within SalesForce multi-cloud –Commerce Cloud, Service Cloud and Marketing Cloud. IMPACT was the first partner in Scandinavia providing both SalesForce Commerce Cloud and SalesForce Marketing Cloud. Combined with in depth understanding of digital marketing and SalesCloud, this is a unique offering in Scandinavia. IMPACT added in 2020 more new SalesForce customers with global sales.

Episerver (will change name to Optimizely in September 2021)

IMPACT were among the European consultancies with most new Episerver/Optimizely commerce clients including launch of several Episerver Cloud platforms that will qualify for Awards nominations in 2021. Furthermore, we now have the highest number of certified Episerver developers in Denmark and among the top in the Nordics.

Umbraco

As a result of many successful Umbraco commerce projects, IMPACT won an Umbraco Award for best editing experience, achieved status as Powerhouse Gold partner and had more than 25 new Umbraco certified developers in 2020. A great symbol of the journey, we are on to become the leading Umbraco agency in the Nordics.

Sitecore

Measured in terms of number of commerce 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.

InRiver

For the last two years, IMPACT has been named InRiver Partner of the year in Denmark and is a strong candidate for the EMEA Partner of the Year title. The PIM/MDM team at IMPACT is among the very best in the Nordics, and in 2020 the leader of the team was named InRiver Champion, which only 20 PIM experts in the world are. Last but not least, IMPACT is the consultancy implementing most new customers on InRiver.

Management's review

Microsoft and Azure

In 2020, IMPACT has successfully strengthened the partnership with Microsoft to work actively on joint projects, sales and marketing activities, product development, pricing models and technical feedback on especially Azure. As a result, IMPACT was positioned as a strong candidate for the Partner of the Year award and continue to build pipeline and develop skills together with Microsoft.

Other technologies

Stibo PIM, Raptor personalization and CDP, and the search technologies SOLR, Algolia, ElasticSearch are other important platforms which IMPACT commands and excels at implementing. In terms of technology and architecture, IMPACT is a first mover in enabling global commerce with Cloud, microservices and JavaScript technologies.

Analytics/ BI, data-driven marketing and personalisation

Data-driven marketing and personalisation are IMPACT specialties delivered in collaboration with group affiliated 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 and retail customer clubs/loyalty programmes.

Raptor Services (CDP and personalization software) has named IMPACT as the first and only Gold Partner in 2020.

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.

IMPACT are among very few companies in Scandinavia within Digital Commerce with more than 200 experts, and the largest company within its field in Denmark.

The goal is to attract and retain the most highly skilled experts in the sector and an influx of distinguished senior profiles in 2021.

8 new partners were appointed 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 Nordic market for strategic digital commerce focused on results. A position that is well underway as IMPACT was ranked no 1 in the latest edition of the biggest agency brand index in Denmark in 2020 - both no.1 on Brand strength and "Would invite for their next pitch".

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 4% in 2020 measured in terms of gross profits adjusted for activities transferred to group entities.

The company's result has been affected by COVID-19 with several large customers in financial trouble and derived losses. Investments have been done in customers and employees.

The income statement for 2020 shows a profit before tax of DKK 2,9m against profit before tax of DKK 11,0m last year and the balance sheet at 31 December 2020 shows equity of DKK 9,8m. Management considers the Company's financial performance in 2020 not to be satisfactory.

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 forecast growth in 2021 and profit level restored according to previous years.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Gross profit	111,057	107,083
2	Staff costs	-106,465	-94,193
	Amortisation of intangible assets and property, plant and equipment	-1,357	-1,911
	Other operating expenses	-72	0
	Profit before net financials	3,163	10,979
3	Financial income	66	110
	Financial expenses	-347	-75
	Profit before tax	2,882	11,014
4	Tax for the year	-746	-2,506
	Profit for the year	2,136	8,508

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Completed development projects	0	0
	Acquired intangible assets	216	349
		<u>216</u>	<u>349</u>
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	1,765	2,052
	Leasehold improvements	235	410
		<u>2,000</u>	<u>2,462</u>
7	Investments		
	Deposits	1,093	1,501
		<u>1,093</u>	<u>1,501</u>
	Total fixed assets	<u>3,309</u>	<u>4,312</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	31,787	41,360
	Work in progress for third parties	6,155	259
	Receivables from group entities	156	916
	Other receivables	541	1,296
8	Prepayments	2,853	2,778
		<u>41,492</u>	<u>46,609</u>
	Cash	645	1,350
	Total non-fixed assets	<u>42,137</u>	<u>47,959</u>
	TOTAL ASSETS	<u>45,446</u>	<u>52,271</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
EQUITY AND LIABILITIES			
Equity			
9	Share capital	500	500
	Retained earnings	9,309	20,173
	Total equity	9,809	20,673
Provisions			
10	Deferred tax	190	295
12	Total provisions	190	295
Liabilities other than provisions			
11	Non-current liabilities other than provisions		
	Other payables	9,177	3,360
		9,177	3,360
Current liabilities other than provisions			
	Prepayments received from customers	430	1,011
	Trade payables	4,138	6,272
	Payables to group entities	3,468	3,957
	Joint taxation contribution payable	850	2,476
	Deposits	0	45
	Other payables	16,585	13,441
13	Deferred income	799	741
		26,270	27,943
	Total liabilities other than provisions	35,447	31,303
	TOTAL EQUITY AND LIABILITIES	45,446	52,271

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

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2020	500	20,173	20,673
17	Transfer, see "Appropriation of profit"	0	2,136	2,136
	Extraordinary dividend distributed	0	-13,000	-13,000
	Equity at 31 December 2020	500	9,309	9,809

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of IMPACT A/S for 2020 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'000).

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.

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.

Other operating income and operating expenses

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

Cost of sales

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

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).

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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".

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".

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities 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'000	2020	2019	
2 Staff costs			
Wages/ salaries	90,471	79,220	
Pensions	9,742	6,857	
Other social security costs	1,198	1,163	
Other staff costs	5,054	6,953	
	<u>106,465</u>	<u>94,193</u>	
Average number of full-time employees	<u>164</u>	<u>141</u>	
Remuneration to members of Management:			
Executive Board	3,223	3,030	
Board of Directors	400	270	
	<u>3,623</u>	<u>3,300</u>	
3 Financial income			
Interest receivable, group entities	33	25	
Other financial income	33	85	
	<u>66</u>	<u>110</u>	
4 Tax for the year			
Estimated tax charge for the year	850	2,476	
Deferred tax adjustments in the year	-104	30	
	<u>746</u>	<u>2,506</u>	
5 Intangible assets			
DKK'000	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2020	1,117	1,705	2,822
Additions in the year	0	203	203
Disposals in the year	0	-322	-322
Cost at 31 December 2020	<u>1,117</u>	<u>1,586</u>	<u>2,703</u>
Impairment losses and amortisation at 1 January 2020	1,117	1,356	2,473
Amortisation/ depreciation in the year	0	264	264
Reversal of amortisation/ depreciation and impairment of disposals	0	-250	-250
Impairment losses and amortisation at 31 December 2020	<u>1,117</u>	<u>1,370</u>	<u>2,487</u>
Carrying amount at 31 December 2020	<u>0</u>	<u>216</u>	<u>216</u>
Amortised over	<u>3 years</u>	<u>1-3 years</u>	

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2020	4,450	2,996	7,446
Additions in the year	471	160	631
Cost at 31 December 2020	4,921	3,156	8,077
Impairment losses and depreciation at 1 January 2020	2,398	2,586	4,984
Amortisation/depreciation in the year	758	335	1,093
Impairment losses and depreciation at 31 December 2020	3,156	2,921	6,077
Carrying amount at 31 December 2020	1,765	235	2,000
Depreciated over	3-5 years	2-3 years	

7 Investments

DKK'000	Deposits
Cost at 1 January 2020	1,501
Additions in the year	297
Disposals in the year	-705
Cost at 31 December 2020	1,093
Carrying amount at 31 December 2020	1,093

8 Prepayments

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

DKK'000	2020	2019
9 Share capital		
Analysis of the share capital:		
450,000 A shares of DKK 1.00 nominal value each	450	450
50,000 B shares of DKK 1.00 nominal value each	50	50
	500	500

A and B shares carries the same voting rights.

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

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019
10 Deferred tax		
Deferred tax at 1 January	295	265
Deferred tax adjustments in the year	-105	30
Deferred tax at 31 December	190	295

11 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	9,177	0	9,177	9,177
	9,177	0	9,177	9,177

12 Provisions

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

13 Deferred income

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

14 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent company, Forza Group ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2020	2019
Rent and lease liabilities	5,776	6,405

15 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.

Financial statements 1 January - 31 December

Notes to the financial statements

16 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
commerce pioneers ApS	Aarhus, Denmark	Participating interest
Forza Group ApS	Aarhus, Denmark	Participating interest
Kasper Holst	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
Forza Group ApS	Åbyhøj, Denmark	www.cvr.dk

Related party transactions

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

DKK'000	2020	2019
Sale of services	3,622	2,371
Purchase of services	966	0
Interest receivable, group entities	33	25
Receivables from group entities	20	916
Payables to group entities	3,333	3,957

Information on the remuneration to management

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

DKK'000	2020	2019
17 Appropriation of profit		
Recommended appropriation of profit		
Extraordinary dividend distributed in the year	13,000	0
Retained earnings/accumulated loss	-10,864	8,508
	<u>2,136</u>	<u>8,508</u>

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Kasper Holst

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Jens Mikkelsen

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Henrik Pungvig Jensen

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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