

IMPACT A/S

Søren Frichs Vej 44 D, 8230 Åbyhøj

CVR no. 25 85 88 32

Annual report 2023

Approved at the Company's annual general meeting on 14 June 2024

Chairman of the meeting:

.....
Kasper Holst

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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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Åbyhøj, 11 June 2024
Executive Board:

.....
Kasper Holst

.....
Jens Mikkelsen

Board of Directors:

.....
Heine Kaasgaard Bang
Chairman

.....
Kasper Holst

.....
Jens Mikkelsen

.....
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 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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, 11 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Pungvig Jensen
State Authorised Public Accountant
mne24825

Niels Krogh Gjør
State Authorised Public Accountant
mne49103

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 Jens Mikkelsen 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	2023	2022	2021	2020	2019
Key figures					
Gross profit	212,615	159,291	135,842	111,057	107,083
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	30,269	10,616	15,576	4,596	12,890
Profit before interest and tax (EBIT)	26,040	7,830	14,090	3,239	10,980
Net financials	-995	-469	-177	-357	35
Profit for the year	19,466	5,702	10,826	2,136	8,508
Balance sheet					
Total assets	96,036	76,119	61,467	45,446	52,271
Investments in property, plant and equipment	1,661	3,667	2,600	631	587
Equity	32,900	16,337	20,634	9,808	20,673
Financial ratios					
Return on assets	23.4%	5.9%	19.7%	6.3%	24.1%
Current ratio	163.7%	128.5%	177.8%	160.4%	171.6%
Equity ratio	34.3%	21.5%	33.6%	21.6%	39.5%

The financial ratios stated under "Financial highlights" have been calculated as follows:

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

About

IMPACT A/S is a digital consultancy specialising in commerce and data-driven marketing.

IMPACT Commerce Group works in the following business areas:

- ▶ Strategy and growth consulting
- ▶ Commerce platforms
- ▶ IT architecture, Master Data, PIM, and cloud integrations
- ▶ AI
- ▶ Mobile Apps, Cloud POS and Order Management solutions
- ▶ Omnichannel BI / Advanced Analytics
- ▶ UX / design and digital products design
- ▶ MarTech, CDP and Marketing Automation
- ▶ Traffic, Lead Generation and Conversion optimisation

Purpose

Changing commerce for the better.

This purpose means that the Company is taking the lead on shaping the future of commerce by empowering people and businesses to drive positive change and deliver quality experiences.

Vision

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

As a specialised consultancy, we strive to deliver Europe's leading end-customer experiences and enable our clients to grow. This is realised by transforming and optimising the entire customer journey by applying the market's strongest expertise in the areas of strategy / innovation, design / concept / experience, IT architecture, commerce platforms and data / optimisation.

With a sustainable model that ensures unique sector knowledge and a powerful connection between customer and employee satisfaction, the Company strives to provide extraordinary experiences for everyone who engages with IMPACT.

Strategy 2024

Strategy for 2024 : "European Challenger." This epitomizes the Company's progression from a purely Nordic presence to becoming the leading commerce consultancy in Europe.

Strategy 2024 covers four key milestones:

- ▶ Strongest Community in Europe
This means ensuring the best workplace community and being the industry leader in people development.
- ▶ No.1 Future Commerce and Growth Makers
This means showcasing more innovation and customer results than any other consultancy and having the happiest clients
- ▶ Commerce for the Better
This means being a frontrunner in driving positive change, both directly with our customers and indirectly through our customers' customers.
- ▶ Strong Financials
This means creating healthy, sustainable growth that allows us to invest in corporate social responsibility.

Management's review

Customers

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

In 2023, our customer portfolio was further expanded, among other with 4 market leading companies in the following segments:

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

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

Consulting Services and Experience

A partnership with IMPACT provides customers with unique sector experience in driving omnichannel commerce, customer experience, and business innovation. With over 25 years of experience in technology advisory and implementation services, IMPACT elevates companies to modern IT architecture, utilizing technology for efficiency, customer experience, and growth.

IMPACT excels in implementing applications and frameworks from the market's leading vendors within the tech space:

- Commerce
- Content management
- POS / OMS
- Payment
- Mobile APPs
- AI
- Enterprise search
- Martech - CDP / Marketing automation
- Personalisation
- Cloud integrations and cloud transition
- Advanced Analytics & BI
- Custom built software and UI

IMPACT has, in 2023, been a part of defining several new business models, driving transformation and setting new standards for customer experience. The collective results from IMPACT's services and experience have resulted in several nominations and awards, including the:

- ▶ Rambuk Award for Søstrene Grene international CDP and Marketing automation setup
- ▶ Danish e-commerce awards winner with IMERCO for best omnichannel
- ▶ 10+ customer nominations / awards for their commerce experience and data marketing

Organisation and processes

We have continued to focus on strengthening our processes and expertise, giving particular priority to developing skill sets in Strategy / Growth, AI, Marketing, IT architecture, Cloud technology and advanced Analytics.

IMPACT is the leading digital commerce consultancy in Scandinavia with more than 400 experts. Furthermore, we're the largest partner-owned commerce consultancy in Europe.

The goal for IMPACT continues to be to attract, retain and develop the most highly skilled experts in the sector. We strive to build a community of experts across countries and embrace a modern, hybrid work-life balance.

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 is a top strategic priority.

Management's review

Financial review

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

The income statement for 2023 shows a profit before tax of DKK 25,046 thousand against a profit before tax of DKK 7,360 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 32,900 thousand.

This is a clear improvement from last year, in the middle of expectations for 2023 where our aim for profit before tax was in the region of DKK 20 - 30 mio. The result is based on the above investments where the full effect is still to come during the next 2 - 3 years.

Merger with IMPACT Extend A/S

The Company's activities underwent significant change in the financial year due to the merger with IMPACT Extend A/S. The merger has been carried out as an intra-group business combination applying the book value method at 1 January 2023. Consequently, comparative figures for previous financial years have not been restated.

Reference is made to note 1 for more details.

Knowledge resources

The Company's description of knowledge resources is included in the section regarding organisation and processes.

Financial risks and use of financial instruments

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

Impact on the external environment

As a digital consultancy, IMPACT A/S is aware of the natural footprint on the climate through its business activities. The Company strives to minimize its climate impact by optimizing its energy efficiency and reducing CO2 emissions from own operations.

Research and development activities

The Company has invested in building functionalities that enable reduced lead time in implementing e-commerce solutions for our customers - called Accelerators. The internal development cost attributable to Accelerators.

Events after the balance sheet date

A company charge of DKK 17,500 thousand has been provided as collateral for the Company's bank debt after the balance sheet date, secured on inventories, raw materials, semi-manufactured goods and finished goods, operating equipment as well as trade receivables.

Beside the above no events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Reference is made to note 2 for more details.

Outlook

2023 was a year impacted by a market slow-down, which impacted the result. The Company expects similar gross profit and increased earnings in 2024. The overall expectation is a profit before tax in the range of DKK 15 - 30 mio.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	212,615	159,291
3	Staff costs	-182,346	-148,675
	Amortisation/depreciation of intangible assets and property, plant and equipment	-4,228	-2,787
	Profit before net financials	26,041	7,829
4	Financial income	124	38
5	Financial expenses	-1,119	-507
	Profit before tax	25,046	7,360
6	Tax for the year	-5,580	-1,658
	Profit for the year	19,466	5,702

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Completed development projects	5,136	4,399
	Acquired intangible assets	545	383
	Development projects in progress	1,227	1,198
		<u>6,908</u>	<u>5,980</u>
9	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	3,016	3,307
	Leasehold improvements	1,067	1,453
		<u>4,083</u>	<u>4,760</u>
10	Investments		
	Deposits	1,921	2,030
		<u>1,921</u>	<u>2,030</u>
	Total fixed assets	<u>12,912</u>	<u>12,770</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	63,221	48,973
	Work in progress for third parties	2,513	5,149
	Receivables from group entities	8,823	3,771
	Joint taxation contribution receivable	0	497
	Other receivables	1,192	1,696
11	Prepayments	3,827	3,028
		<u>79,576</u>	<u>63,114</u>
	Cash	3,548	235
	Total non-fixed assets	<u>83,124</u>	<u>63,349</u>
	TOTAL ASSETS	<u>96,036</u>	<u>76,119</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	581	500
	Reserve for development costs	4,964	4,366
	Retained earnings	27,355	11,471
	Total equity	32,900	16,337
	Provisions		
13	Deferred tax	1,234	1,040
15	Total provisions	1,234	1,040
	Liabilities other than provisions		
14	Non-current liabilities other than provisions		
	Other payables	11,117	9,455
		11,117	9,455
	Current liabilities other than provisions		
	Bank debt	8,959	18,693
	Prepayments received from customers	475	350
	Work in progress for third parties	3,519	700
	Trade payables	8,643	7,780
	Payables to group entities	61	4,228
	Joint taxation contribution payable	3,407	0
	Other payables	25,080	17,096
16	Deferred income	641	440
		50,785	49,287
	Total liabilities other than provisions	61,902	58,742
	TOTAL EQUITY AND LIABILITIES	96,036	76,119

- 1 Accounting policies
- 2 Events after the balance sheet date
- 7 Appropriation of profit
- 17 Contractual obligations and contingencies, etc.
- 18 Security and collateral
- 19 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2023	500	4,366	11,471	16,337
	Additions on merger	81	0	2,016	2,097
	Capitalised development costs	0	1,963	-1,963	0
7	Transfer, see "Appropriation of profit"	0	0	19,466	19,466
	Amortisation of development costs	0	-1,197	1,197	0
	Tax on items recognised directly in equity	0	-168	168	0
	Extraordinary dividend distributed	0	0	-5,000	-5,000
	Equity at 31 December 2023	581	4,964	27,355	32,900

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of IMPACT A/S for 2023 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.

Some of the comparative figures have been restated in connection with the reclassification of internal items. The restatements have not affected the Company's profit/loss, balance sheet total or equity in this year and last year.

Change in the Company's activities, including effect of intra-group business combinations

The Company has carried out an intra-group business combination applying the book value method, which does not require restatement of comparative figures. Consequently, comparative figures for previous financial years have not been restated.

The Company's activities underwent significant change in the financial year due to the merger with IMPACT Extend A/S, see the Management's review, implying that the financial statements for the year under review are not comparable with last year. The merger has affected gross profit positively by DKK 29,600 thousand and the profit/loss for the year by DKK 0 thousand. At the same time, equity increased by DKK 2,000 thousand and total assets increased by DKK 8,550 thousand. The provided levels are estimated.

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 Commerce Group 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

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

Where individual components of an item have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Other operating expenses

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

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.

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.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of 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".

Deposits

Include deposits from the lease of property. Deposits are measured at cost. Premises are continuously maintained and no significant losses are expected in the event of relocation.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

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).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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 assessed based on work performed (based on actual time consumption) and the expected unbillable hours percentage aiming that unbillable hours are recognized on a straight-line basis.

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

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under 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 and deferred tax

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.

Liabilities

The Company has chosen IAS 39 as interpretation for 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

2 Events after the balance sheet date

A company charge of DKK 17,500 thousand has been provided as collateral for the Company's bank debt after the balance sheet date, secured on inventories, raw materials, semi-manufactured goods and finished goods, operating equipment as well as trade receivables.

Beside the above no events materially affecting the Company's financial position have occurred subsequent to the financial year end.

DKK'000	2023	2022
3 Staff costs		
Wages/salaries	161,387	132,018
Pensions	19,614	14,909
Other social security costs	1,345	1,748
	<u>182,346</u>	<u>148,675</u>
Average number of full-time employees	<u>248</u>	<u>209</u>
Remuneration to members of Management:		
Executive Board	6,246	3,761
Board of Directors	220	150
	<u>6,466</u>	<u>3,911</u>
4 Financial income		
Interest receivable, group entities	93	38
Other financial income	31	0
	<u>124</u>	<u>38</u>
5 Financial expenses		
Interest expenses, group entities	43	0
Other financial expenses	1,076	507
	<u>1,119</u>	<u>507</u>
6 Tax for the year		
Estimated tax charge for the year	5,407	1,403
Deferred tax adjustments in the year	173	255
	<u>5,580</u>	<u>1,658</u>
7 Appropriation of profit		
Recommended appropriation of profit		
Extraordinary dividend distributed in the year	5,000	10,000
Retained earnings/accumulated loss	14,466	-4,298
	<u>19,466</u>	<u>5,702</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Development projects in progress	Total
Cost at 1 January 2023	6,005	2,018	1,198	9,221
Additions in the year	1,934	437	29	2,400
Cost at 31 December 2023	7,939	2,455	1,227	11,621
Impairment losses and amortisation at 1 January 2023	1,606	1,635	0	3,241
Amortisation/depreciation in the year	1,197	275	0	1,472
Impairment losses and amortisation at 31 December 2023	2,803	1,910	0	4,713
Carrying amount at 31 December 2023	5,136	545	1,227	6,908

Completed development projects

Completed development projects include development and test of new software. The related expenses primarily consist of internal expenses in the form of payroll costs and overhead.

The development of the software is finalized but new features and structures are developed and capitalized every year.

The new software has led to considerable competitive advantages, more efficient implementation of the Company's digital solutions and new revenue streams.

Management has not identified any indication of impairment in relation to the carrying amount of the software.

Development projects in progress

Development projects in progress include the development and test of new software. The related expenses primarily consist of internal expenses in the form of payroll costs and overhead.

Development projects in progress are expected to be finalized in 2024 or 2025. Marketing and selling activities are expected to start in 2024.

The new software is expected to result in considerable competitive advantages, more efficient implementation of the Company's digital solutions and new revenue streams.

Management has high expectations of the use of the software and has not identified any indication of impairment in relation to the carrying amount of the software.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	9,682	4,645	14,327
Additions on merger	630	0	630
Additions in the year	1,661	0	1,661
Cost at 31 December 2023	11,973	4,645	16,618
Impairment losses and depreciation at 1 January 2023	6,375	3,192	9,567
Accumulated impairment losses and depreciation of additions through mergers	213	0	213
Amortisation/depreciation in the year	2,369	386	2,755
Impairment losses and depreciation at 31 December 2023	8,957	3,578	12,535
Carrying amount at 31 December 2023	3,016	1,067	4,083

Note 18 provides more details on security for loans, etc. as regards property, plant and equipment.

10 Investments

DKK'000	Deposits
Cost at 1 January 2023	2,030
Additions on merger / corporate acquisition	57
Disposals in the year	-166
Cost at 31 December 2023	1,921
Carrying amount at 31 December 2023	1,921

11 Prepayments

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

DKK'000	2023	2022
12 Share capital		
Analysis of the share capital:		
531,395 A shares of DKK 1.00 nominal value each	531	450
50,000 B shares of DKK 1.00 nominal value each	50	50
	581	500

A and B shares carry the same voting rights.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022
13 Deferred tax		
Deferred tax at 1 January	1,040	785
Deferred tax adjustments in the year	173	255
Additions on merger	21	0
Deferred tax at 31 December	1,234	1,040

14 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other payables	11,117	0	11,117	11,117
	11,117	0	11,117	11,117

15 Provisions

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

16 Deferred income

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

17 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	2023	2022
Rent and lease liabilities	6,765	5,024

Rent and lease liabilities include a rent obligation totalling DKK 6,083 thousand in interminable rent agreements with remaining contract terms of 1-3 years. Furthermore, the Company has liabilities under operating leases for cars totalling DKK 682 thousand, with remaining contract terms of 1 year.

18 Security and collateral

The Company has provided a bank guarantee for rent liabilities totalling DKK 727 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

19 Related parties

IMPACT A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
IMPACT Commerce Group 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 Commerce Group 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	2023	2022
Sale of services	11,655	9,857
Purchase of services	8,439	27,058
Interest receivables, group entities	93	38
Interest expenses, group entities	43	0
Receivables from group entities	8,823	3,771
Payables to group entities	61	4,228

Information on the remuneration to management

Information on the remuneration to Management appears from note 3, "Staff costs".

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Jens Mikkelsen

Executive Board

On behalf of: IMPACT A/S

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2024-06-11 11:44:46 UTC



Kasper Holst

Executive Board

On behalf of: IMPACT A/S

Serial number: f4f276ed-192e-4716-a00a-a9ae19f9a0bc

IP: 5.56.xxx.xxx

2024-06-11 11:47:11 UTC



Heine Kaasgaard Bang

Chairman

On behalf of: IMPACT A/S

Serial number: 41849ecf-ebee-4edb-bcdb-493f7b91e3d2

IP: 87.50.xxx.xxx

2024-06-11 13:14:16 UTC



Nicolaj Vang Jessen

Board of Directors

On behalf of: IMPACT A/S

Serial number: 17f25680-773a-4cc4-aca4-094b31d3fd8a

IP: 217.74.xxx.xxx

2024-06-11 14:05:08 UTC



Kasper Holst

Board of Directors

On behalf of: IMPACT A/S

Serial number: f4f276ed-192e-4716-a00a-a9ae19f9a0bc

IP: 5.56.xxx.xxx

2024-06-11 14:16:54 UTC



Jens Mikkelsen

Board of Directors

On behalf of: IMPACT A/S

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Henrik Pungvig Jensen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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IP: 165.225.xxx.xxx

2024-06-12 07:29:59 UTC



Niels Krogh Gjø

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 8486a723-d1fa-4b3f-85c0-8d161774e9c8

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Heine Kaasgaard Bang

Chair of the meeting

On behalf of: IMPACT A/S



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Kasper Holst

Dirigent

På vegne af: IMPACT Commerce Group A/S og Impact A/S

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