



ANNUAL REPORT
2020

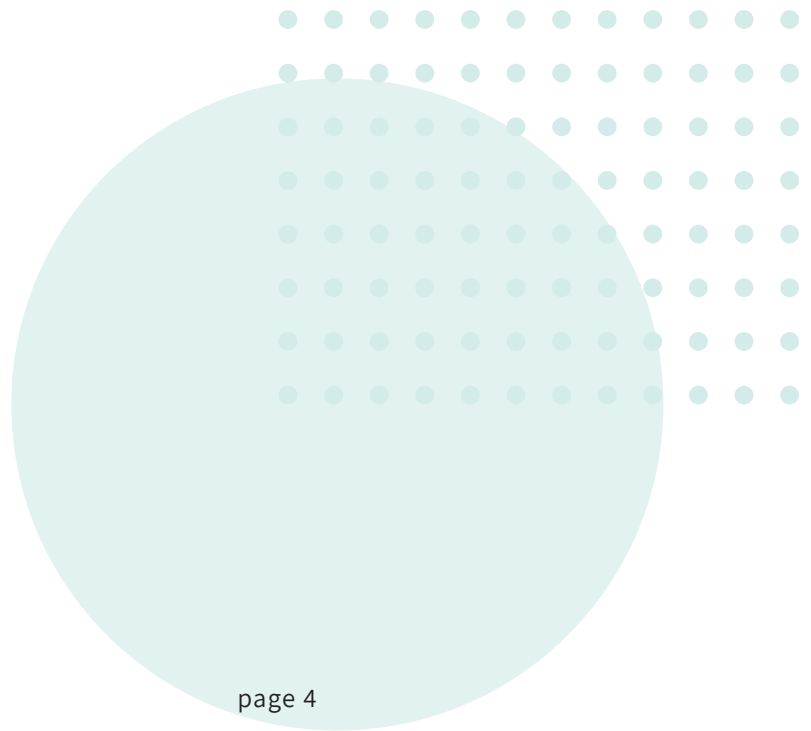


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EQUITY STORY



OUR EQUITY STORY

At Impero, we are dedicated to making it easier for organizations to deliver what they promise.

We build trust based on actions, not on words. We help companies, organizations, and institutions with their inherent wish to stay compliant – and to do the right thing. Impero is built to ease the pain of managing complex compliance challenges, so that companies can rest assured they are compliant.

Our mission is to build a society resting on pillars of trust, transparency, and reliability – and to make compliance easy. We call it

**Compliance.
Simplified.**

Rising complexity within compliance

Companies must comply with complex compliance regimes. Hordes of requirements related to finance, tax, the environment, health and safety, IT and data protection, and many other areas. These requirements affect many different business functions across organizational lines.

The consequences of not complying with regulatory demands include reputational damage, financial penalties, and personal liability. Impero was founded to make it easy to steer clear of the severe consequences of being non-compliant.

Our platform promotes trust and transparency

The Impero platform is an easy-to-use compliance management platform that provides an overview of risks and mitigating control activities, ensures reliable reporting, and minimizes the need for manual control processes. As a cloud-based SaaS platform, Impero is highly scalable.

We promote compliance quality, transparency, and trust within and between organizations and in society as a whole. From a broader perspective, we enable companies to contribute to the United Nation's Global Sustainable Development Goal 16 of promoting just societies with effective, accountable, and transparent institutions at all levels.

A strong business case

The Impero platform fills a gap in the fragmented global market for compliance management software. Our primary target market of large companies in Northern Europe and countries in North America and Asia-Pacific scoring high on the Corruption Perceptions Index exceeds DKK 6,3 billion. The growth in the global GRC market is estimated at a compound annual growth rate of 13.5% per year until 2025¹.

We have built a powerful go-to-market partnership with leading global accounting firms (BIG4) and, as steppingstones for market entries. This partnership model is a strong driver for future customer acquisition and revenue growth, as is our direct sales efforts building on the lighthouse customers won in collaboration with Big 4. Supporting the direct sales efforts is the inbound marketing function, powering the inbound sales process. In addition, revenue growth is fueled by a significant uplift in subscription revenues from existing customers.

With a management team of experienced executives, a strong and proven product-market fit, a resilient business model, and an effective go-to-market process, Impero is set to scale fast and achieve the goal of becoming the market standard for compliance management software, powering a transparent compliance agenda on a global scale.



1: <https://www.marketsandmarkets.com/PressReleases/enterprise-governance-risk-compliance.asp>



Impero works dedicatedly with the United Nations' Sustainable Development Goals.

We actively support:

16 Peace, Justice, and Strong Institutions

by helping increase trust and transparency on a global scale



BUSINESS SUMMARY



WELCOME TO IMPERO



RIKKE STAMPE SKOV, CEO
KARSTEN MAYLAND, CCO
JACOB ENGEDAL SØRENSEN, CO-FOUNDER
MORTEN BALLE, CO-FOUNDER

WELCOME TO IMPERO

With a strong focus on our internationalization strategy, securing customer satisfaction, and developing new features to our platform, Impero met 2020's ambitious growth goals despite extensive challenges surrounding the global COVID-19 pandemic, achieving an annual recurring revenue (ARR) of DKK 12,6M corresponding to 67% growth.

2020 concluded a positive, although turbulent, year for Impero. Despite the challenges stemming from the pandemic, we were successful in reaching budget targets for the year. Most impressively, we onboarded a total of 33 new customers across the world in 2020, including Volkswagen Group and Siemens.

We set the course for new markets in Europe with our strategic focus on an expanded internationalization approach and have further built on the momentum we gained in Germany in 2019 with our winning partnership with KPMG Germany. In 2021, we will continue our aim at developing an even stronger international software company.

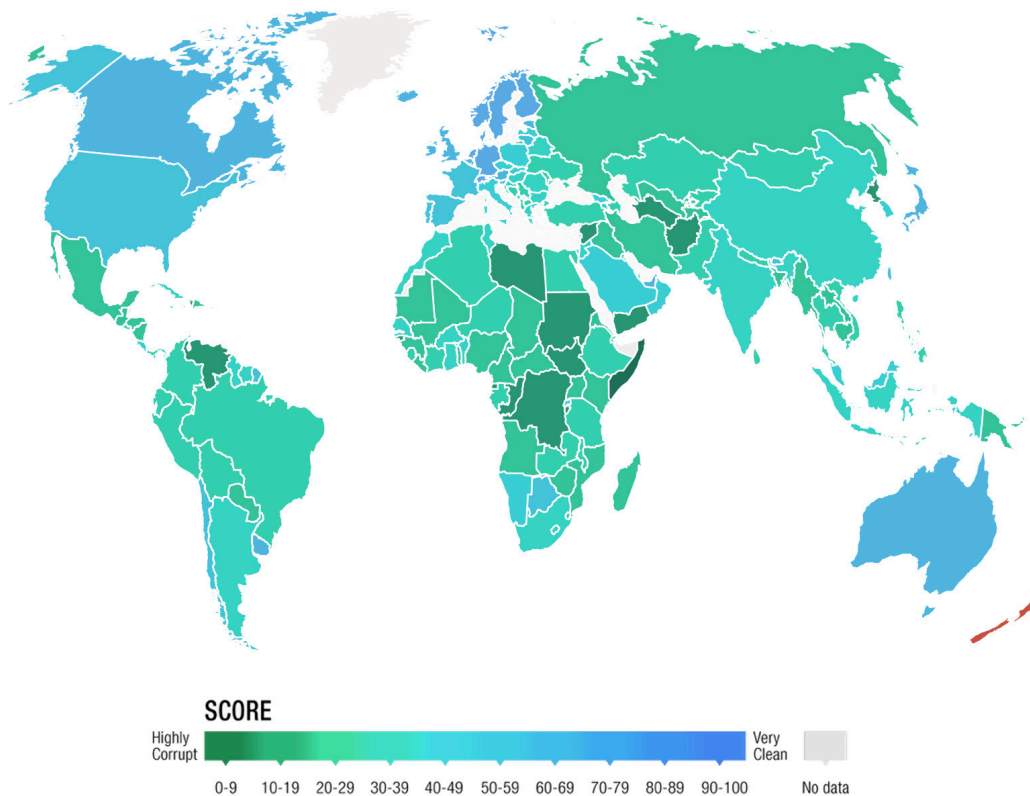
Investments in product development to help relieve our customers from complex manual risk and compliance activities, support their inherent wish to ensure transparency, and assist in realizing the business value at the forefront of the compliance agenda, has been a key focus for Impero.

Compliance.
Simplified. remains our promise.



Reflecting on 2020 gives us an opportunity to look back at the emerging trends in our arena. In countries scoring high on the Corruption Perceptions Index¹ we see an increased demand for automation of governance, risk, and compliance (GRC) processes and documentation, as stricter regulatory requirements are introduced.

Figure 1. Corruption Perceptions Index



The Corruption Perceptions Index is an index published annually by Transparency International ranking countries by their perceived levels of public sector corruption from highly corrupt to very clean.

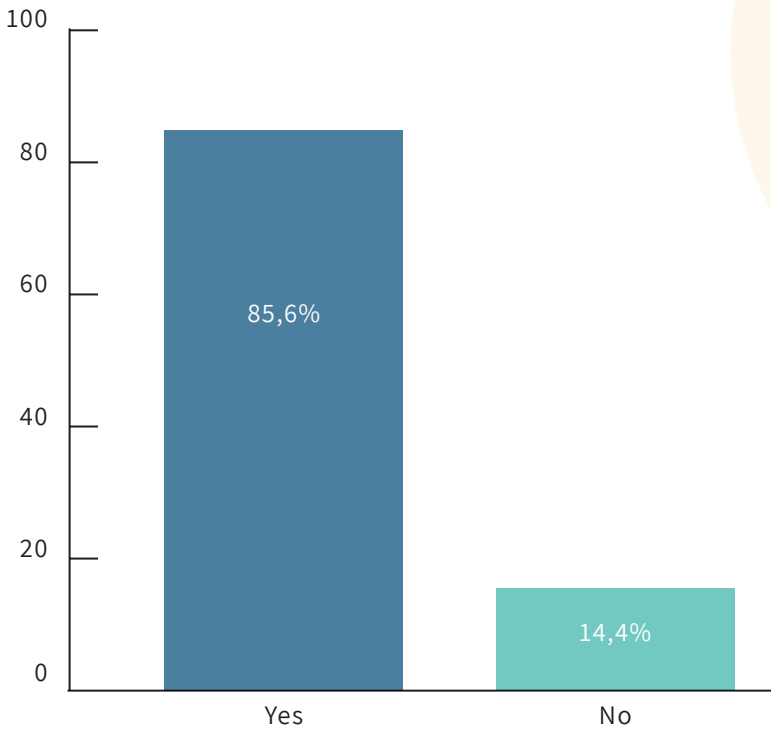
GRC is defined as:

”- an integrated, holistic approach to organization-wide governance, risk and compliance ensuring that an organization acts ethically correct and in accordance with its risk appetite, internal policies and external regulations through the alignment of strategy, processes, technology and people, thereby improving efficiency and effectiveness”.

Nicolas Racz, Edgar Weippl and Andreas Seufert

As illustrated on page 11, an OCEG survey² proved that a profound 85% of companies interviewed are convinced they will benefit from integrating the use of technology for their GRC activities which the fastest growing business need relating to risk data quality and management.

Figure 2: OCEG Survey



Would your organisation benefit from integrating and streamlining use of technology for GRC activities enterprise-wide?

Secondly, the projected growth for the post-COVID-19 global enterprise GRC market size is estimated to increase from USD 32.3B in 2020 to USD 60.8B by 2025 at a compound annual growth rate of 13.5% during the forecast period, according to an MNM report³ from 2020. The main factors responsible for this market growth include:

- a rising need to meet more stringent compliance mandates
- security breaches
- organizational benefits gained from securing a holistic, increasingly regular and concise data overview of risk and compliance data.

Thirdly, regulatory pushes, such as the European Union’s Mandatory Disclosure Regimen (also known as DAC6) or regional regulations as Germany’s Corporate Liability Act on strengthening business integrity, increased digitization, and a stronger need to plan for uncertain events have all contributed to this amplified focus on implementing technological GRC solutions.

Lastly, the COVID-19 outbreak has compounded the operational challenges to organizations and companies everywhere, showing the need to increase the pace of digital transformation and the ability to respond much faster to changes.

Increased focus on cost is a consequence of the financial turmoil seen worldwide in 2020. Deloitte notes that the difficulties following the pandemic result in “(...) organizations’ cost, operating and business models have drifted away from each other (...)”.⁴ We believe this focus on cost and operation leads to a market advantage for Impero due to our affordable pricing model and very low implementation costs. Our platform offers an attractive alternative in a fragmented market without compromising on security, quality, or functionality.

When assessing the financial results for 2020, these general market trends and drivers present valuable insight for Impero and help guide the course for the coming year.



1: <https://www.transparency.org/en/cpi/2019/index/nzl>

2: https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/risk/governance-risk-compliance-software_DCA.pdf

3: <https://www.marketsandmarkets.com/PressReleases/enterprise-governance-risk-compliance.asp>

4: <https://www2.deloitte.com/content/dam/Deloitte/be/Documents/monitor-deloitte/Cost-resilience-amid-and-after-covid-19.pdf>

2020 PERFORMANCE SNAPSHOT

67%

ANNUAL
RECURRING REVENUE
GROWTH

45%

NET
TURNOVER
GROWTH

25%

GROWTH
FROM
UPLIFT

33

NEW CUSTOMERS
TOTAL

10

NEW CUSTOMERS
IN GERMANY

20

CUSTOMERS
IN DACH

9

FORBES2000
COMPANIES

32%

OF OMXC25
STOCK INDEX

13%

OF DAX 30
STOCK INDEX

100+

COUNTRIES
WITH
USERS

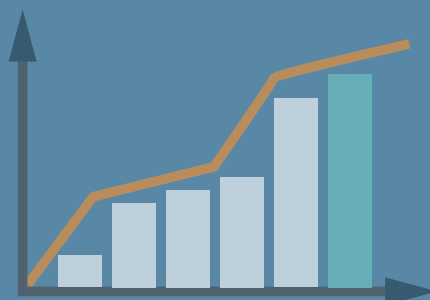
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NEW COLLEAGUES
AND MORE
TO JOIN IN 2021

Impero's Annual Recurring Revenue

Impero's growth is measured in Annual Recurring Revenue (ARR), a subscription economy metric for Software-as-a-Service businesses, which calculates the normalized annual revenue of Impero's existing subscriptions. ARR may decrease if a customer churns or downgrades their subscription and will increase when new customers are onboarded and when current customers upgrade their subscriptions.

Our existing customers contribute to our ARR every year and we have been successful in consistently securing high levels of uplift, meaning current customers expand their use of the Impero platform. We are always exploring new ways of supporting our customers and increasing retention e.g. introducing a digital training platform and offering support in local languages.



MANAGEMENT COMMENTARY

Net turnover grew 45%

The net turnover for the year amounted to DKK 9,9M a growth of 45% compared to 2019's net turnover of DKK 6,8M. The results from ordinary activities after tax are DKK -4,7M compared to DKK -8,1M in 2019.

Annual Recurring Revenue growth reached 67%

Our most significant key performance indicator is Annual Recurring Revenue (ARR). In 2020, ARR amounted to DKK 12,6M, an increase of 67% compared to 2019. Our growth was achieved through strong execution on our go-to-market strategy, including partner sales, direct sales, and uplift.

Churn kept low

In 2020, our churn was kept below 5%. 33% of churn can be attributed to the discontinuation of partnerships with Danish consultancies which did not fit the partnership strategy focusing on the leading, global accounting firms (Big 4). 25% of churn was caused by downgrade in the number of users with two customers who are still using the platform extensively whereas the remaining 42% stems from a number of smaller customers outside our primary customer segment.

Strong development in partnerships

In 2020, we kept cultivating our partnerships despite the challenges of COVID-19 where the partner-based sales channel was impacted, as it became more difficult to develop new partnerships. We faced this challenge head-on by maintaining focus on cultivating our strong partnerships in new ways and we are very pleased to see an ever-increasing interest from global partners in working with Impero.

We have successfully built on our partnership with KPMG Germany and the solid foundation we began laying in 2019. These efforts amounted to securing 10 new German customers despite the nationwide lockdown.

These customers include global conglomerates and Forbes Global 100-companies, including Volkswagen Group, the world's leading multinational automotive manufacturing corporation and Siemens, the multinational conglomerate and largest industrial manufacturing company in Europe.

We closed out 2020 with 20 customers across the DACH region (Germany, Austria, and Switzerland) and we are proud to include 13% of DAX 30, the German blue-chip stock market index including the largest companies traded on the Frankfurt stock exchange, to the growing number of customers benefitting from Impero's compliance management platform.

With our sales hub in UK, we grew our relationship with KPMG. Working closely with our UK partners to support their efforts in delivering powerful solutions to their clients, we saw strong growth in ARR compared to 2019. However, the ongoing recession in UK is expected to have an effect on growth in 2021.



Impero has been a catalyst for the transformation of our approach to tax controls. Prior to implementing the platform, we worked with a limited number of formal controls and now we expect to document 1,700 controls by the end of 2020. This would not be possible without Impero.”

Carsten Bonnerup

Director, Transfer Pricing, Vorwerk Group



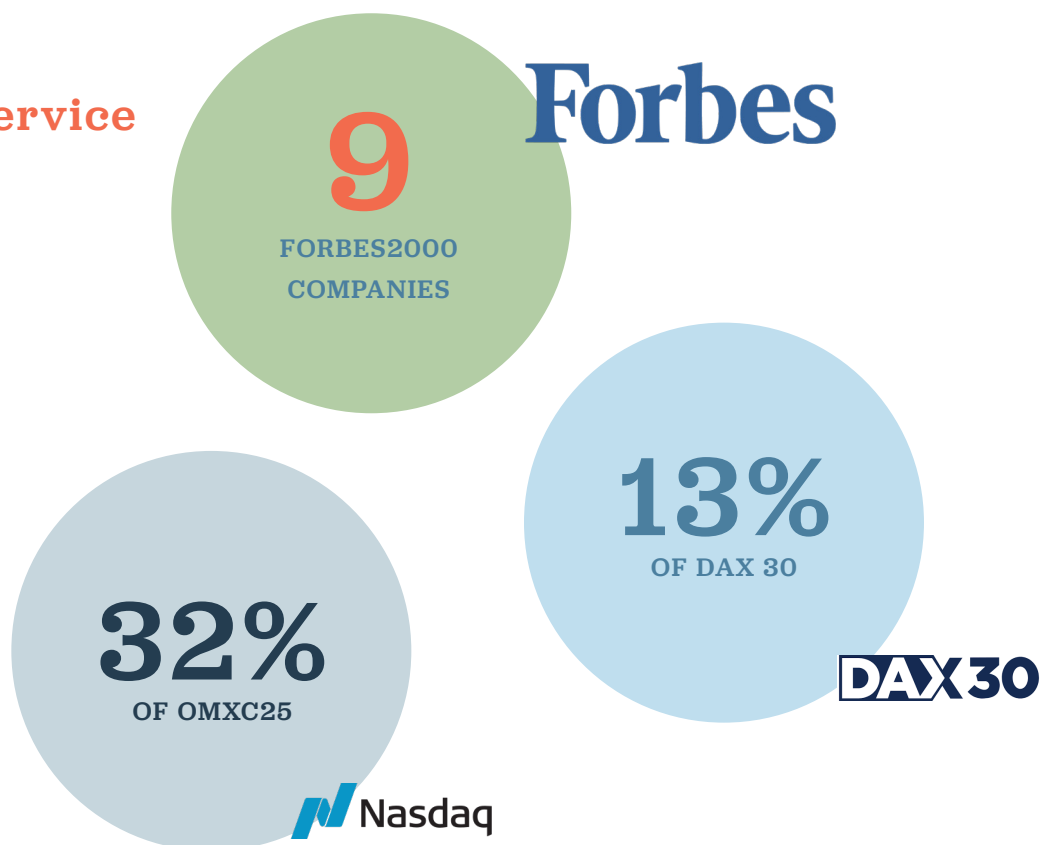
Welcoming new customers

We welcomed 33 new customers to Impero in 2020. These customers span numerous industries and use the Impero platform in a multitude of forms, although we continue to see the main traction in our area of focus which currently lies within finance and tax functions. From the largest, global pharmaceutical companies to specialized insurance companies and large public institutions; Impero is assisting them all in their wish to simplify compliance, strengthen transparency, and increase trust.

Our domestic market also saw positive growth in 2020 and we continue our solid market position in Denmark servicing 32% of the Danish 25 OMX Copenhagen Index of the largest companies traded on the

Danish stock exchange. As our domestic market grows, we are seeing traction not only with large enterprises but also with companies subject to extensive regulatory requirements. In both our domestic market and in the DACH region, we continue to gain momentum and are privileged in being able to onboard new customers who come to us on the basis of positive references received from existing Impero users.

We service



A journey to new markets with our partners

In 2020, we entered into new markets with the signing of customers in Austria and Iceland. This new business was accumulated on the basis of our Big 4 partnership strategy as well as our increased efforts in securing customers through inbound marketing efforts. Our formalized partnerships currently span six markets. We entered into new partnership agreements with Big 4 consultancies in 2020 and acquired customers from PwC's legacy compliance platform "PoweredIC".

New territories, new, large customers

Having proved our market model as well as the product-market-fit in several markets, we are confident in our continued internationalization strategy taking Impero successfully to new territories.



Impero is the best cloud solution I have worked with (...).

Impero is a very simple and intuitive solution to work with, it is easy to introduce and implement, and controls can be defined with low or high complexity depending on organizational needs.

Impero works very well in large scale international organization where internal controls are done both in a shared service center and on local sites and where internal control performers and internal control approvers sits in various locations.”

Tine Lyders Larsen,

Senior Financial Compliance Manager, NKT

Continued positive uplift

We continue to see solid growth from uplift from our customers with 25% of our 2020 growth stemming from uplift. Although we continued our primary focus on addressing the needs of finance and tax functions in 2020, we experienced widespread use of Impero across large organizations contributing to this year's significant growth in uplift. Whether environmental, social, and corporate governance (ESG), IT, supply chain management or sales, our customers are quick to spot multiple use cases where the Impero platform will be beneficial in providing overview of risks and mitigating control activities spanning organizational lines and business areas. The main driver behind this extensive growth is the threefold combination of ease-of-use, an attractive and transparent pricing model, and our high service and support levels.

Our platform

To enable our customers to easily manage risks and controls through automation and to gain full overview and ensure compliance, we are continuously developing new capabilities to support the digital transformation within risk and compliance management.

Innovation and user-friendliness are the cornerstones of Impero's product development agenda. These value enablers are how we ensure our competitive advantage. We are always on a quest to innovate our platform and work diligently on fulfilling our ambitions of becoming the market standard for compliance management.

Impero's product organization has been ramped up and upgrades, new functionalities, and optimizations have been continuously released. Through a series of new features and product releases, we continue to innovate and improve the Impero platform with our ambition of always securing our equilibrium of intuitiveness and ease-of-use.

Highlights from product development

During 2020, the development initiatives were widespread and covered both customer-facing features and "behind the scenes" upgrades to the platform.

In early 2020, we upgraded user experience by adding more to the ongoing facelift of our platform, making it even more intuitive and user-friendly with easy access to KPIs, strengthened navigation, and much more.

Setting out on a strategic journey of increasing interoperability – e.g., allowing for customers to trigger

control activities based on input from other platforms or systems – has been, and remains, another important area of focus, and was successfully launched during the first quarter of 2020.

The Impero platform’s Risk Management module went through a significant upgrade and is now an even stronger part of the platform for driving risk management and risk mitigation across some of the world’s largest corporates, allowing them to easily cascade processes and risks across group and entity levels. Yet, the work continues, and going forward our customers will see even stronger reporting in the area of risk management.

The second half of 2020 was to a large extent devoted to upgrading the User Management features in Impero. With the fast-growing use of Impero across large organizations we are devoted to making it as easy as possible to manage the complex compliance environments in ever-changing organizational setups.

Finally, we began our efforts toward developing a new and even stronger control management interface, that will bring enormous value to our customers.

Any changes made to our platform are always developed with data integrity, efficiency, and user satisfaction as our main priorities.

Security and IT-compliance

Impero has a powerful security culture that spans all functions across the organization. Data security is highly prioritized throughout the entire organization and Impero has implemented many security best practices covering processes and procedures ensuring high levels of security.

Security is in our DNA



In order to mitigate the risk of handling sensitive data, Impero operates an Information Security Management System (ISMS) built with reference to the ISO 27001 framework.

Our systematic approach to security management consists of processes covering technology and people thus ensuring effective risk management. The ISMS secures information in all its forms, increases the level of resilience toward potential attacks, and continuously improves the response to evolving security threats thus allowing customers to have confidence in our guardianship of their data.

Relevant policies, procedures, and internal controls are audited by PwC, conducted according to the ISAE 3000 Type II.

Our organization

To build on the strong momentum, we added several new members to the organization. We entered 2020 with a team of 13 and now enter 2021 being a team of 19 with more colleagues to join us in the coming months.

At Board level, Jørgen Bardenfleth, renowned for his extensive board work in several organizations operating in tech, medtech, and science, joined Impero as Chairman in December 2020. Jørgen's long experience within tech and IT includes executive positions with tech enterprises HP, Intel, and Microsoft. He will support us even further in our endeavors to become a truly international software company, making Impero the standard Risk and Compliance management platform. Sten T. Davidsen, our Chairman since 2015 transitioned into the role as Vice Chair and we highly appreciate his continued support of our mission.



Looking toward 2021

As we saw in 2020, the global macroeconomic circumstances changed significantly due to the COVID-19 pandemic. Nevertheless, our financial outlook for 2021 remains positive. Based on the previously stipulated market trends and our product and market strategies, we trust in our ability to grow the company.

The coming year will be marked by an expansion of our internationalization strategy, as we will be implementing our proven go-to-market strategy in new territories. Building on our strong partnerships in Germany, we will increase our local presence in the DACH region by introducing an Impero hub. This will enable us to better penetrate the market in the DACH area, including securing increased uplift from our many customers in the region.

In parallel with our partnership efforts, we are building an inbound marketing sales channel to support our business development. Our efforts here will be particularly focused on building on our momentum in existing markets with powerful lighthouse customers and based on great references from existing customers. By securing strong references and comprehensible use-cases, we see an optimized market expansion to the mid-market through inbound marketing-based lead generation.

In general, we will be ramping up resources across organizational functions and adding to our already growing team.

Net ARR is expected to grow within range of previous years in 2021.

Impero will continue to help companies deliver savings, scalability, and agility within risk management and compliance, and to act proactively in their response to market demands or a changing legislative landscape, by optimizing compliance processes through automation.

Continued confidence from investors

We are honored to continue to see strong support from our investors, marking their solid confidence in our product and growth strategy. In Q1, Q3, and Q4 of 2020 we received capital increases supported by both our current investors, board members, and management team in order to sustain our rapid scaling in foreign markets requiring additions to both commercial and product teams.

We are very appreciative of the continued support of our aspirations and look forward to meeting expectations once again in 2021.

Thank you

We thank our customers for choosing us to help them power their compliance and reach their business objectives, as well as for their valuable collaborations and feedback. And for their adaption to getting training and onboarding in new ways.

We thank our partners for their trust in our product and their continued support.

In conclusion, we wish to extend our gratitude to our colleagues for their unrelenting efforts in optimizing Impero's platform and organization – especially during 2020 which was a difficult year for many. Thank you for making the most of the new ways of working, as we saw lockdowns spread throughout Europe. And thank you for making our diverse team one that not only outperforms itself but does so with high spirits showing dedication and enthusiasm despite not being able to interact as we are used to.

We will continue to persevere in our mission of increasing global trust and transparency between companies, institutions, and people, and deliver on our promise of:

**Compliance.
Simplified.**

Events after the balance sheet date

Following the year-end close, several of Impero's primary markets have reentered into very strict lockdowns due to the global COVID-19 pandemic. Management believes that companies' needs for digitizing GRC efforts will increase due to the subsequent limitations to travel and in-person interactions, and therefore our perception is that the severe lockdowns should not be critically affecting the GRC market. Yet, not being able to predict the extent of a world-wide recession leaves us humble and careful in our predictions for Impero's growth.

No other events have occurred after the balance sheet date that would influence the evaluation of the Annual Report.

CASE STUDY: VORWERK GROUP



VORWERK GROUP FACTS

13,000 EMPLOYEES

70 COUNTRIES

GERMANY HQ

BACKGROUND

Vorwerk Group (“Vorwerk”) is a conglomerate that provides a wide span of household products, from cosmetics and beauty products to flooring and kitchen items. The company is represented in more than 70 countries with 13,000 employees and 610,000 independent sales partners. To continue the implementation of sustainable strategies, Vorwerk has put a strict focus on creating a digitalized organization.



I have begun using Impero to audit my own controls to make sure they are needed and efficient. This process has pointed out where I should update or change certain controls and has been helpful in improving effectiveness.

Carsten Bonnerup

Director, Transfer Pricing, Vorwerk Group

THE CHALLENGE

A complex organization such as Vorwerk faces many challenges in setting up control processes and ensuring full documentation. Vorwerk saw an essential condition for future operations to implement a system that could automate and streamline transfer pricing control processes, provide clear documentation, and foster a tax compliance culture. Vorwerk chose to move away from a perceivably outdated manual control process and implement Impero to efficiently optimize these processes.

THE RESULTS

Vorwerk's tax department was onboarded in a day and sent out the first controls within a week. According to Carsten Bonnerup, transfer pricing director, any concerns about implementing new IT-systems instantly vanished with Impero's seamless workflow and opportunity for a clear and concise control overview. Vorwerk accelerated the adoption of Impero's platform and scaled its transfer pricing controls to include upwards of 1,700 controls by the end of 2020.

Further, implementing Impero also improved the accuracy of the controls and minimized the margin of error in the tax department's documentation. Impero proved to help Vorwerk facilitate and establish a high-level compliance culture across divisions and countries. Today, Carsten Bonnerup has become an internal promotor of Impero and improves workflows using Impero in other divisions of the +70-country organization.

Impero has been a catalyst for the transformation of our approach to tax controls. Prior to implementing the platform, we worked with a limited number of formal controls and now we expect to document 1,700 controls by the end of 2020. This would not be possible without Impero.



Vorwerk Group is a family-owned business with subsidiaries and partners in more than 70 countries worldwide. This poses exceptional challenges when setting up controls processes and ensuring proper documentation. We wanted to stay ahead of the game by digitalizing this entire process.

Carsten Bonnerup
Director, Transfer Pricing, Vorwerk Group



ANNUAL REPORT



STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Impero A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

AARHUS, 15.02.2021

Executive Board

Rikke Birgitte Skov
CEO

Karsten Mayland

Morten Balle

Jacob Engedal Sørensen

Board of Directors

Jørgen Vilhelm Løvenørn Bardenfleth
Chairman

Sten Tore Sanberg Davidsen
Vice Chairman

Carsten Gerner
Board Member

Martin Pronk
Board Member

Jørn Gregersen Grove
Board Member

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF IMPERO A/S

Opinion

We have audited the financial statements of Impero A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 these 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 15.02.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

Identification No (MNE) mne32127

Mads Juul Hansen

State Authorised Public Accountant

Identification No (MNE) mne44386

INCOME STATEMENT FOR 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		4,243,461	2,411,087
Staff costs	1	(7,569,735)	(9,244,015)
Depreciation, amortisation and impairment losses	2	(1,911,073)	(1,194,061)
Operating profit/loss		(5,237,347)	(8,026,989)
Other financial income		234	0
Other financial expenses		(67,475)	(314,911)
Profit/loss before tax		(5,304,588)	(8,341,900)
Tax on profit/loss for the year	3	613,877	236,814
Profit/loss for the year		(4,690,711)	(8,105,086)
Proposed distribution of profit and loss			
Retained earnings		(4,690,711)	(8,105,086)
Proposed distribution of profit and loss		(4,690,711)	(8,105,086)

BALANCE SHEET AT 31.12.2020

ASSETS

	Notes	2020 DKK	2019 DKK
Completed development projects	5	4,879,865	3,579,047
Development projects in progress	5	236,097	657,638
Intangible assets	4	5,115,962	4,236,685
Investments in group enterprises		0	877
Deposits		68,400	126,778
Other financial assets		68,400	127,655
Fixed assets		5,184,362	4,364,340
Trade receivables		5,322,179	1,998,345
Receivables from group enterprises		0	63,014
Deferred tax		434,964	434,964
Income tax receivable		613,877	236,814
Prepayments		47,900	68,755
Receivables		6,418,920	2,801,892
Cash		5,568,198	1,968,533
Current assets		11,987,118	4,770,425
Assets		17,171,480	9,134,765

BALANCE SHEET AT 31.12.2020

EQUITY AND LIABILITIES

	Notes	2020 DKK	2019 DKK
Contributed capital		1,402,519	1,236,630
Reserve for development expenditure		3,990,450	3,304,613
Retained earnings		13,749	(2,443,818)
Equity		5,406,718	2,097,425
Other payables		676,428	232,124
Non-current liabilities other than provisions		676,428	232,124
Trade payables		429,653	273,289
Payables to associates		428,712	389,739
Other payables		4,203,227	1,647,521
Deferred income		6,026,742	4,494,667
Current liabilities other than provisions		11,088,334	6,805,216
Liabilities other than provisions		11,764,762	7,037,340
Equity and liabilities		17,171,480	9,134,765
Contingent liabilities	6		

STATEMENT OF CHANGES IN EQUITY FOR 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,236,630	3,304,613	(2,443,818)	2,097,425
Increase of capital	165,889	0	7,834,115	8,000,004
Transfer to reserves	0	685,837	(685,837)	0
Profit/loss for the year	0	0	(4,690,711)	(4,690,711)
Equity end of year	1,402,519	3,990,450	13,749	5,406,718

The company has over the years introduced incentive plans aimed at key employees. Share options are vesting over time to insure the retention of such key employees. The total number of shares for which key employees may become eligible is 200,750. The options are exercisable at an average exercise price of 28 DKK.

NOTES

1. STAFF COSTS	2020	2019
	DKK	DKK
Wages and salaries	10,040,793	9,835,686
Pension costs	12,000	19,000
Other social security costs	62,369	74,147
Other staff costs	244,923	391,207
	10,360,085	10,320,040
Staff costs classified as assets	(2,790,350)	(1,076,025)
	7,569,735	9,244,015
Average number of full-time employees	14	14

2. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	2020	2019
	DKK	DKK
Amortisation of intangible assets	1,100,282	1,194,061
Profit/loss from sale of intangible assets and property, plant and equipment	810,791	0
	1,911,073	1,194,061

3. TAX ON PROFIT/LOSS FOR THE YEAR	2020	2019
	DKK	DKK
Current tax	(613,877)	(236,814)
	(613,877)	(236,814)

The Company has a tax assets t.DKK. 5.034, which is not recognised in the balance sheet.

NOTES

4. INTANGIBLE ASSETS

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	7,733,414	657,638
Transfers	657,638	(657,638)
Additions	2,554,254	236,097
Disposals	(2,026,977)	0
Cost end of year	8,918,329	236,097
Amortisation and impairment losses beginning of year	(4,154,368)	0
Amortisation for the year	(1,100,282)	0
Reversal regarding disposals	1,216,186	0
Amortisation and impairment losses end of year	(4,038,464)	0
Carrying amount end of year	4,879,865	236,097

5. DEVELOPMENT PROJECTS

Development projects in progress include the development of new features in the companies existing software platform. The development project essentially consists of costs in the form of direct salaries, which are registered through the company's internal project module. The management is of the opinion that it is technically possible to complete the development project during execution.

The carrying amount is t.DKK. 5,116 at 31 December 2020. The software platform is expected to bring significant competitive advantages and thus a significant increase in the level of activity and profit for the company in subsequent periods.

NOTES

6. CONTINGENT LIABILITIES

The company has entered into operational leasing contracts with an average annual leasing payment of DKK 165,000. The leasing contracts have 22-23 months left to run, and the total outstanding leasing payment is DKK 308,800.

The company ended a rent contract with a 3 months notice period and a total termination obligation of DKK. 28,500.

ACCOUNTING POLICIES

REPORTING CLASS

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

CONSOLIDATED FINANCIAL STATEMENTS

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

RECOGNITION AND MEASUREMENT

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

INCOME STATEMENT

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Revenue from SaaS (Software-as-a-Service)

Impero sells SaaS (Software-as-a-Service) by hosting the software and related services as cloud-based services. The software is not installed on the customer's own servers, but on cloud servers that Impero manages. The customer continuously receives this service which includes license, support and maintenance during the term of the agreement and is recognized linearly over the contract period.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

BALANCE SHEET

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

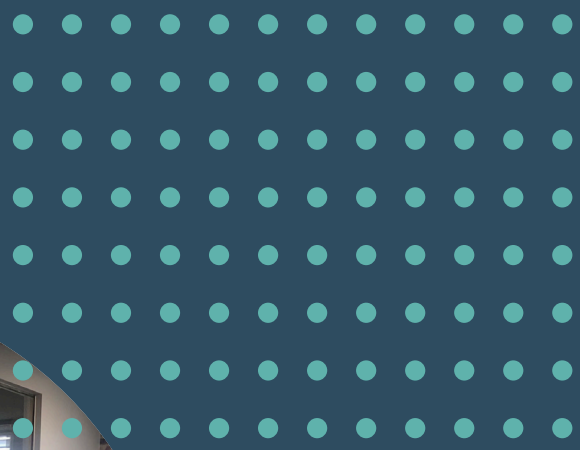
Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

COMPANY INFORMATION



COMPANY INFORMATION

Entity

Impero A/S

Klamsagervej 27, 1.

8230 Åbyhøj

CVR No.: 32326676

Registered office: Åbyhøj

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Jørgen Vilhelm Løvenørn Bardenfleth, *Chairman*

Sten Tore Sanberg Davidsen, *Vice Chairman*

Carsten Gerner, *Board Member*

Martin Pronk, *Board Member*

Jørn Gregersen Grove, *Board Member*

Executive Board

Rikke Birgitte Skov, *CEO*

Karsten Mayland

Morten Balle

Jacob Engedal Sørensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 Copenhagen C



HEADING TO
2021 ...