

IMPACT Extend A/ S

Laplandsgade 4 A, 2300 København S

CVR no. 39 18 63 81

Annual report 2021

Approved at the Company's annual general meeting on

Chair of the meeting:

.....
Ask Ullerup Alminde

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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 Extend A/S for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 30 March 2022
Executive Board:

.....
Torben Carl Vejen

.....
Thomas Obelitz Høgsbro-
Rode

Board of Directors:

.....
Ask Ullerup Alminde
Chair

.....
René Hannesbo Lykkeskov

.....
Kasper Holst

.....
Peter Hestbæk

Independent auditor's report

To the shareholders of IMPACT Extend A/S

Opinion

We have audited the financial statements of IMPACT Extend A/S for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional 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.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Aarhus, 30 March 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Pungvig Jensen
State Authorised Public Accountant
mne24825

Management's review

Company details

Name	IMPACT Extend A/S
Address, Postal code, City	Laplandsgade 4 A, 2300 København S
CVR no.	39 18 63 81
Established	19 December 2017
Registered office	København S
Financial year	1 January - 31 December
Board of Directors	Ask Ullerup Alminde, Chair René Hannesbo Lykkeskov Kasper Holst Peter Hestbæk
Executive Board	Torben Carl Vejen Thomas Obelitz Høgsbro-Rode
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management commentary

Business review

IMPACT Extend is a digital consultancy firm, helping companies to unleash their business and organizational potentials by making marketing more data-driven, personalized, and accountable.

As a member of IMPACT Network A/S, our shared purpose is to change commerce for the better. We want to take the lead on shaping the future of commerce by empowering people and businesses to drive positive change and craft quality experiences.

IMPACT Extend A/S works in the following business areas:

- ▶ Omni BI / Advanced Analytics, Data Science and Customer Data Platforms
- ▶ Digital Marketing Strategy and Organizational enablement
- ▶ MarTech, Marketing Automation and Customer Loyalty
- ▶ Traffic, Tracking, Lead Generation and Conversion optimization

Consulting services, Marketing methodology, data and technology

Combining in-depth commercial and technological understanding with expertise in marketing methodology ensures that customers can unleash their full potential by consolidating and activating customer data from all channels and touch points. This is put into practice in deliveries that support B2B digital, CRM, CDP and customer clubs/ loyalty programs.

We provide advice concerning all marketing platforms and has strategic partnerships with leading vendors of marketing automation and personalization platforms.

Together with IMPACT, we pride ourselves on being a frontrunner in Scandinavia within Salesforce multi-cloud: Commerce Cloud, Service Cloud, CDP/IS and Marketing Cloud. IMPACT was the first partner in Scandinavia providing both Salesforce Commerce Cloud and Salesforce Marketing Cloud. Furthermore, Raptor Services (CDP and personalization software) has named IMPACT as the first and only Gold Partner.

Management's review

Strategic focus 2021-2022

The key strategic focus in 2021 has been to strengthen our processes and expertise, in order to ensure our continued growth and high quality in customer deliveries. We have invested significantly in bringing in strong capabilities and training the organization in becoming even better consultants, improving how we work and supporting each other as a team.

As a purpose-driven organization, our focus is to ensure an informal, transparent and inclusive work environment, where strong relations are core, and individual potentials are unleashed through personal committed objectives (OKRs) and development plans. In 2021 we welcomed 25% new employees and managed to hold an employer satisfaction (ESAT) score of 8.9 (out of 10).

As a result, we have managed to grow our business significantly, by retaining existing customers, attracting leading brands as new customers, and by delivering exciting and ground-breaking new projects. At the same time, our customer satisfaction (CSAT) is kept at a satisfying high level.

The key focus for 2022 will be to ensure a profitable and healthy business, by harvesting the realized investments in a more robust and scalable organization, and by improving the financial performance.

Financial review

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

IMPACT Extend achieved strong growth in all business areas in 2021 with an average of ~40% growth in turnover.

The income statement for 2021 shows a gross profit of DKK 22,4m, 6m up from 2020, driven by increase in sales and consultants. Profit before tax in 2021 is DKK 0,575m, which is DKK 0,115m lower than 2020 and driven by investments in new consultants and new technologies. Balance sheet shows equity of DKK 2,2m. Management considers the Company's financial performance in 2021 to be lower than expected.

Events after the balance sheet date

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

Outlook

The Company forecasts continued growth in turnover in the area of 30-50% and a significant improvement in profit in 2022.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021	2020
	Gross profit	22,424,363	16,347,724
2	Staff costs	-21,744,048	-15,607,046
	Amortisation/depreciation of property, plant and equipment	-56,925	0
	Profit before net financials	623,390	740,678
	Financial expenses	-48,275	-50,564
	Profit before tax	575,115	690,114
3	Tax for the year	-126,746	-157,458
	Profit for the year	448,369	532,656
	 Recommended appropriation of profit		
	Retained earnings	448,369	532,656
		448,369	532,656

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	212,415	0
		212,415	0
	Total fixed assets	212,415	0
	Non-fixed assets		
	Receivables		
	Trade receivables	4,378,719	4,078,457
	Work in progress for third parties	0	300,730
	Receivables from group enterprises	0	3,332,559
	Other receivables	66,588	1,200,142
	Prepayments	200,310	200,307
		4,645,617	9,112,195
	Cash	4,141,657	91,336
	Total non-fixed assets	8,787,274	9,203,531
	TOTAL ASSETS	8,999,689	9,203,531
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Retained earnings	1,748,990	1,300,621
	Total equity	2,248,990	1,800,621
	Provisions		
	Deferred tax	31,900	27,900
	Total provisions	31,900	27,900
	Liabilities other than provisions		
4	Non-current liabilities other than provisions		
	Other payables	1,153,001	1,139,765
		1,153,001	1,139,765
	Current liabilities other than provisions		
	Bank debt	0	41,916
	Work in progress for third parties	402,507	401,847
	Trade payables	258,440	26,838
	Payables to group enterprises	1,195,486	0
	Joint taxation contribution payable	122,739	129,558
	Other payables	3,586,626	5,635,086
		5,565,798	6,235,245
	Total liabilities other than provisions	6,718,799	7,375,010
	TOTAL EQUITY AND LIABILITIES	8,999,689	9,203,531

- 1 Accounting policies
5 Contractual obligations and contingencies, etc.
6 Collateral
7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2021	500,000	1,300,621	1,800,621
Transfer through appropriation of profit	0	448,369	448,369
Equity at 31 December 2021	500,000	1,748,990	2,248,990

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of IMPACT Extend A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

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

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

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

Cost of sales

Cost of sales include expenses incurred in the year related to subcontractors and are directly linked to the revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

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

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	5 years
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The residual value of property, plant and equipment is expected to account for DKK 0.

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

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

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest 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 entity is jointly taxed with other group entities. 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.

Balance sheet

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of 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. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Work in progress for third parties

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

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

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

Prepayments

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

Cash

Cash and cash equivalents comprise cash at bank.

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".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2021	2020
2 Staff costs		
Wages/ salaries	18,002,739	13,324,235
Pensions	2,345,178	1,476,670
Other social security costs	265,361	168,870
Other staff costs	1,130,770	637,271
	<u>21,744,048</u>	<u>15,607,046</u>
 Average number of full-time employees	 <u>30</u>	 <u>24</u>
3 Tax for the year		
Estimated tax charge for the year	122,746	129,558
Deferred tax adjustments in the year	4,000	27,900
	<u>126,746</u>	<u>157,458</u>

4 Non-current liabilities other than provisions

Of the long-term liabilities, TDKK 1,153 falls due for payment after more than 5 years after the balance sheet date.

5 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 falling due for payment.

6 Collateral

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

7 Related parties

Information about consolidated financial statements

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

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Thomas Obelitz Høgsbro-Rode

Direktion

På vegne af: IMPACT Extend A/S

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IP: 152.115.xxx.xxx

2022-03-31 13:02:18 UTC

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Torben Carl Vejen

Direktion

På vegne af: IMPACT Extend A/S

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IP: 77.33.xxx.xxx

2022-03-31 19:43:19 UTC

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Peter Hestbæk

Bestyrelse

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Ask Ullerup Alminde

Chair

På vegne af: IMPACT Extend A/S

Serienummer: PID:9208-2002-2-676442130378

IP: 212.10.xxx.xxx

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Kasper Holst

Bestyrelse

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René Hannesbo Lykkeskov

Bestyrelse

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IP: 185.125.xxx.xxx

2022-04-05 06:06:03 UTC

NEM ID 

Henrik Pungvig Jensen

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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IP: 145.62.xxx.xxx

2022-04-05 06:13:15 UTC

NEM ID 

Ask Ullerup Alminde

Dirigent

På vegne af: IMPACT Extend A/S

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