

IMPACT Extend A/S

Laplandsgade 4 A, 2300 København S

CVR no. 39 18 63 81

Annual report 2019

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

Chairman:

.....
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 Extend A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

Åbyhøj, 24 March 2020
Executive Board:

.....
Torben Carl Vejen

.....
Thomas Obelitz Høgsbro-
Rode

Board of Directors:

.....
Kasper Holst
Chairman

.....
René Hannesbo Lykkeskov

.....
Ask Ullerup Alminde

.....
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 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus, 24 March 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Pungvig Jensen
State Authorised Public Accountant
mne24825

Management's review

Company details

Name	IMPACT 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	Kasper Holst, Chairman René Hannesbo Lykkeskov Ask Ullerup Alminde Peter Hestbæk
Executive Board	Torben Carl Vejen Thomas Obelitz Høgsbro-Rode
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management commentary

Business review

IMPACT Extend is a digital consultancy specialising in digital marketing and customer insights. Our purpose is to provide consulting services and management of digital marketing activities. The company works in the following business areas of digital marketing; Digital Marketing Strategic Consulting; Customer Insights; Business & Marketing Intelligence, Traffic & Web behaviour insights, Email Marketing Automation and Customer Loyalty.

Financial review

Gross Profit for the year amounts to TDKK 13,908 and profit after tax amounts to TDKK 1,371. Focus has been on building further revenue growth, customer acquisition, product development and talent recruitment, which have prepared the organization for future growth.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK	2019 12 months	2017/18 13 months
	Gross profit	13,908,209	8,875,518
2	Staff costs	-12,166,078	-8,733,320
	Profit before net financials	1,742,131	142,198
3	Financial income	54,797	0
4	Financial expenses	-37,743	-12,956
	Profit before tax	1,759,185	129,242
5	Tax for the year	-388,291	-32,172
	Profit for the year	1,370,894	97,070
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	700,000	0
	Retained earnings	670,894	97,070
		1,370,894	97,070

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2017/18
	ASSETS		
	Non-fixed assets		
	Receivables		
	Trade receivables	2,138,193	1,418,628
6	Work in progress for third parties	93,959	0
	Receivables from group enterprises	4,255,241	2,344,933
	Corporation tax receivable	0	297,828
	Other receivables	20,904	1,995
	Prepayments	129,511	0
		<u>6,637,808</u>	<u>4,063,384</u>
	Cash	<u>210,165</u>	<u>444,799</u>
	Total non-fixed assets	<u>6,847,973</u>	<u>4,508,183</u>
	TOTAL ASSETS	<u>6,847,973</u>	<u>4,508,183</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Retained earnings	767,964	97,070
	Dividend proposed	700,000	0
	Total equity	<u>1,967,964</u>	<u>597,070</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Other payables	345,610	0
		<u>345,610</u>	<u>0</u>
	Current liabilities other than provisions		
6	Work in progress for third parties	952,976	0
	Trade payables	285,566	71,437
	Payables to group enterprises	0	1,410,167
	Corporation tax payable	388,291	0
	Other payables	2,907,566	2,429,509
		<u>4,534,399</u>	<u>3,911,113</u>
	Total liabilities other than provisions	<u>4,880,009</u>	<u>3,911,113</u>
	TOTAL EQUITY AND LIABILITIES	<u>6,847,973</u>	<u>4,508,183</u>

- 1 Accounting policies
 8 Contractual obligations and contingencies, etc.
 9 Collateral
 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed</u>	<u>Total</u>
Equity at 1 January 2019	500,000	97,070	0	597,070
Transfer through appropriation of profit	<u>0</u>	<u>670,894</u>	<u>700,000</u>	<u>1,370,894</u>
Equity at 31 December 2019	<u>500,000</u>	<u>767,964</u>	<u>700,000</u>	<u>1,967,964</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of IMPACT Extend A/S for 2019 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 includes the cost of goods used in generating the year's revenue.

Other external expenses

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

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 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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash and cash equivalents comprise cash at bank.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

DKK	2019 12 months	2017/18 13 months
2 Staff costs		
Wages/salaries	10,322,440	7,831,133
Pensions	1,032,061	567,844
Other social security costs	137,624	100,131
Other staff costs	673,953	234,212
	<u>12,166,078</u>	<u>8,733,320</u>
Average number of full-time employees	<u>18</u>	<u>13</u>
3 Financial income		
Other financial income	54,797	0
	<u>54,797</u>	<u>0</u>
4 Financial expenses		
Interest expenses, group entities	0	10,167
Other financial expenses	37,743	2,789
	<u>37,743</u>	<u>12,956</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2019 12 months	2017/18 13 months
5 Tax for the year		
Estimated tax charge for the year	388,291	32,172
	<u>388,291</u>	<u>32,172</u>
6 Work in progress for third parties		
Selling price of work performed	914,911	0
Progress billings	-1,773,928	0
	<u>-859,017</u>	<u>0</u>
recognised as follows:		
Work in progress for third parties(assets)	93,959	0
Work in progress for third parties(liabilities)	-952,976	0
	<u>-859,017</u>	<u>0</u>

7 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent company, IMPACT Network A/S, 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.

9 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.

10 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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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Thomas Obelitz Høgsbro-Rode

Direktion

På vegne af: IMPACT Extend A/S

Serienummer: PID:9208-2002-2-667845761670

IP: 93.176.xxx.xxx

2020-03-24 10:19:48Z

NEM ID 

Torben Carl Vejen

Direktion

På vegne af: IMPACT Extend A/S

Serienummer: PID:9802-2002-2-592390751390

IP: 5.186.xxx.xxx

2020-03-24 14:01:40Z

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Ask Ullerup Alminde

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På vegne af: IMPACT Extend A/S

Serienummer: PID:9208-2002-2-676442130378

IP: 178.155.xxx.xxx

2020-03-24 16:28:48Z

NEM ID 

Peter Hestbæk

Bestyrelse

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Serienummer: PID:9208-2002-2-106026179553

IP: 213.32.xxx.xxx

2020-03-24 19:01:59Z

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Kasper Holst

Bestyrelse

På vegne af: IMPACT Extend A/S

Serienummer: PID:9208-2002-2-879346833234

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2020-03-26 18:53:15Z

NEM ID 

René Hannesbo Lykkeskov

Bestyrelse

På vegne af: IMPACT Extend A/S

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IP: 5.186.xxx.xxx

2020-03-27 10:50:53Z

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Henrik Pungvig Jensen

Statsautoriseret revisor

På vegne af: Ernst & Young P/S

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2020-03-27 11:16:49Z

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Kasper Holst

Dirigent

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