



Annual Report 2022

1 January 2022 - 31 December 2022

Impero A/S
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CVR No.: 32326676



Table of contents

Management statement

Financial highlights for 2022	3
CEO letter	4
Management commentary	5
SaaS metrics	8
New ARR methodology	10
Outlook for 2023	11
Our customers	12
Our organization	13

Governance

Shareholder information	15
Management and Board of Directors	16
Risk management	19

Financial statements

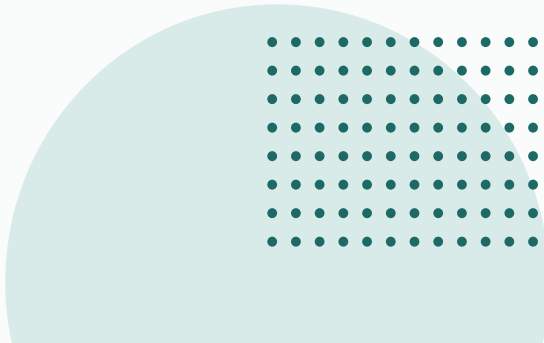
Statement by management	20
Independent auditor’s report	21
Financial review	23
Income statement	24
Balance sheet at 31 December 2022	25
Statement of changes in equity 2022	27
Cash flow	28

Accounting policies 29

Glossary of SaaS terms 31



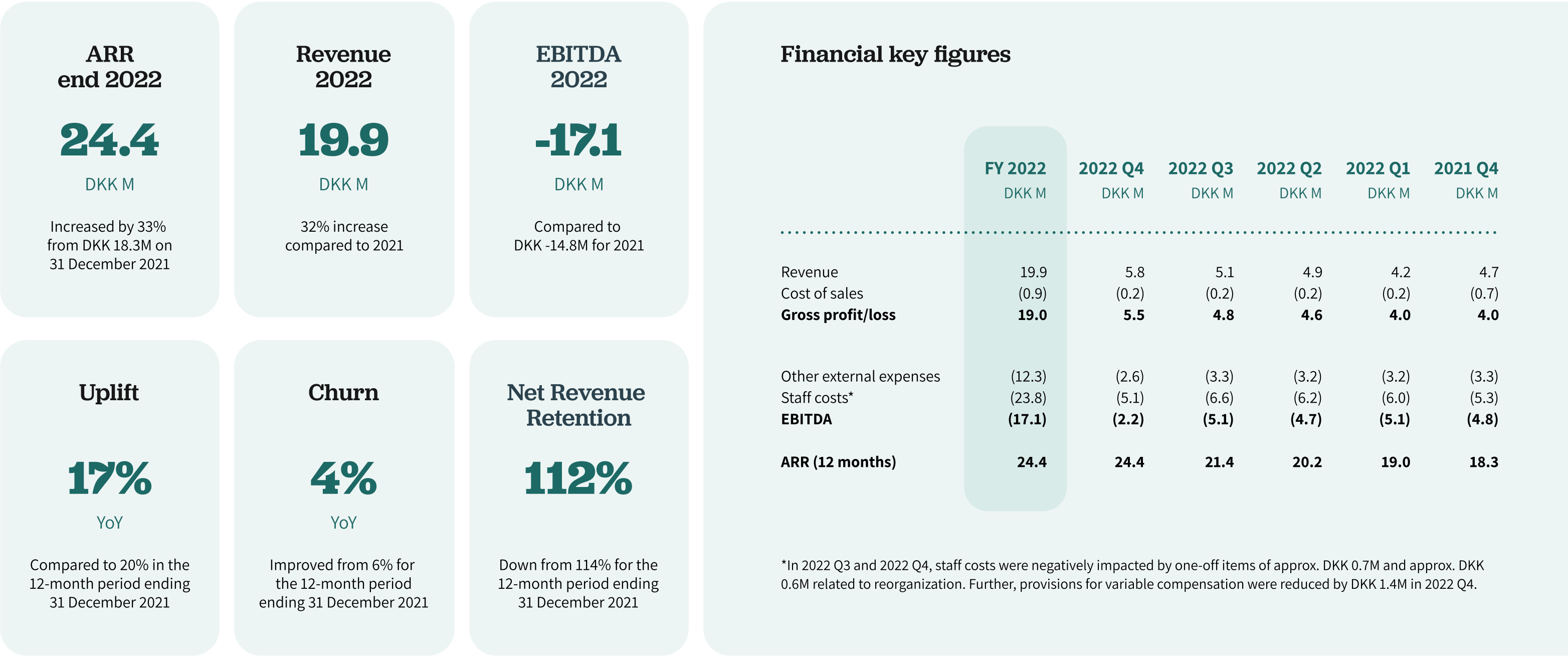
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To return to this page, click on the elephant logo in the right hand corner of every page.



Financial highlights for 2022

At the end of 2022, Impero realizes a 33% year-on-year Annual Recurring Revenue (ARR) growth rate and continues to demonstrate solid SaaS metrics.

For 2023 outlook please refer to page 11.



CEO letter

At the core of Impero's purpose is a belief in trust and transparency.

Good compliance practices not only make it easier to trust each other, they set an example for other companies to raise the bar of ethics, sustainability, and good corporate governance in an ever-changing environment.

Good practices are the way to defeat bad governance, to prevent fraud, and to avoid the consequences of compliance scandals for individuals, companies, and society as a whole.

Bad governance, corruption, and conflict fuel each other.

As Transparency International¹ states: corruption undermines governments' ability to protect people and erodes public trust. This underlines the urgent need for trust and transparency – global currencies that cannot be devalued.

2022 showed that there is more to these values than avoiding the scandals and consequences of poor tax and financial compliance, greenwashing or not delivering on the fast-evolving ESG agenda. It showed that good compliance practices protect the standards and values we, as a society, expect.

While the values are challenged, and corruption threatens peace and security, we all continue to expect businesses and organizations to take

responsibility for their actions. We demand they live up to their promises.

Impero's purpose is all about securing high standards within the wider compliance domain.

We call it **Compliance. Simplified.**

It's about a better way to create a culture of doing the right things. A better way to build trust and transparency through automating and documenting what must be done.

It sounds simple – yet beneath the simplicity lies a deep understanding of the complexity surrounding our customers.

Creating trust and transparency is a purpose that should not only to be simplified, but also celebrated.



Rikke Stampe Skov
CEO, Impero

“Good compliance practices are the base of a well-functioning society. Our mission is to help companies deliver what they promise.

That not only protects stakeholders across the board, *it protects the values that underpin that well-functioning society.*

2022 shows why we are confident these are values that will stand the test of time.

With our focus on markets where compliance is embedded in the corporate culture, we aim to take that compliance practice to even more companies in 2023 and beyond.”

Jørgen Bardenfleth
Chair of the Board, Impero

1. <https://www.transparency.org/en/cpi/2022>

Management commentary

Commercial

Throughout 2022 Impero has continued making progress scaling the business and the platform for growth.

At the same time, 2022 was a year where we experienced an unforeseen impact on our customers’ priorities by several external factors, such as the invasion of Ukraine, inflation and rising interest rates, shortage in energy supplies, etc. across the markets we serve.

While the market for GRC² platforms is intact, 2022 was a year of mixed performance for Impero. Wins across several markets and strong partnerships supported our growth ambitions, yet especially the German market was impacted by geopolitical instability and the above-mentioned factors, and we saw delays in updating compliance and risk management practices with automation and digitization.

Our range of partnerships continued to play an important role in landing new customers and accounted for approximately 49% of our new ARR in 2022.

The partnership with KPMG in Germany continues to be a focus in the German market, and throughout 2022 we have extended our collaboration to new areas. We have invested in preparing a mutual launch of content-based tax compliance solutions for the German mid-market. This investment is expected to deliver results in 2023.

Furthermore, entering a collaboration with the international audit, tax and advisory firm, Mazars in Germany, resulted in new customers joining Impero.

In Denmark, based on being evaluated as “best in class” by Deloitte Denmark, we worked to convert customers from Deloitte’s legacy platform to the Impero platform. This project was well-received, and throughout the last six months of 2022 the collaboration led to welcoming seven new customers across Denmark and Greenland.

More partners both in Denmark and abroad were nurtured to support Impero’s growth across Northwestern Europe, and the efforts led to wins across markets and sectors such as a leading bank in Austria, a complex player in the renewable energy sector in Denmark, and Impero’s first customer in Ireland.

The ESG agenda continues to expand, as regulations are enforced. In 2022 we saw the first German customers implementing Impero to support their obligations related to the German Supply Chain Due Diligence Act (LkSG), which came into force on 1 January 2023.

As is the case with EU Corporate Sustainability Reporting Directive (CSRD), LkSG’s main requirements include areas the Impero platform is well-suited to support. We expect to see further growth based on the substantially-increased reporting requirements on companies.

Market factors:

In 2023, several independent data points show demand in the b2b software market is poised to **grow by**:³

+9% globally
+10% in Western Europe

The Nordic ICT sector’s

growth is set to **outpace inflation**⁴

It’s clear that organizations have **compliance and risk management practices front of mind**, and many are prioritizing more robust practices, including the **upgrade of GRC systems**⁵.

2. Governance, risk management, and compliance, 3. Ref. [Gartner 2023](#); [IDC 2022](#), 4. [IDC 2022](#), 5. [CFO Dive](#); [Gartner 2022](#).



Management commentary (cont.)

During 2022 we welcomed customers in Austria, Denmark, Germany, Greenland, Ireland, Singapore, Switzerland, the UK and the US, and Impero remains focused on markets where compliance is embedded in the corporate culture.

Throughout the year we experienced strong momentum with existing customers, resulting in 17% uplift. The commercial strategy remains land and expand. We prove our solution as valuable in one area and expand into other areas, such as from risk management and internal controls within Tax into Finance, ESG, and supply chain compliance.

In 2022 we rebuilt Impero's marketing engine. It takes time, effort and the right talent to make it successful. By the end of 2022, we had strengthened the ability to generate qualified leads for our sales teams.

Although a few deals were pushed into 2023, Q4 again proved to be a strong quarter for Impero. With 16 new customers and a substantial uplift across customers and markets, Impero's ARR grew DKK 2.9M in Q4.

Despite the strong finish, we did not deliver to our expectations in the German market, leading to an adjustment of our outlook in December 2022.

The German-speaking region remains a cornerstone for Impero, with solid interest from partners and customers. To expand our market presence in Germany, we have a new Head of Sales for Germany, starting this spring.

Notwithstanding the ever-present challenge of macroeconomic factors, Impero's core markets and segments hold great potential for 2023 and onwards.

We enter the new year with a solid subscription base as well as a proven ability to retain and grow ARR from new as well as existing customers and a strengthened platform.

During 2023 Q2 we look forward to welcoming a new Chief Sales Officer who brings solid experience from commercial expansion in SaaS companies, to further increase customer acquisition, expansion, and retention.

Product

At Impero, we are committed to simplifying compliance by continuing to deliver new functionality to and in dialogue with our customers, making it easier to stay compliant in an ever-changing environment.

In 2022, our research and development team focused on making the maintenance of master data more efficient, improving the ability to gain insights from risk evolution, expanding interoperability with third-party systems, and initiating development of improved control testing.

In our seven weeks release cycles, we made it possible for customers to bulk update control scheduling and risk assessments, saving time and making it possible for customers to make rapid and

agile changes to their controls and risks in a safe manner.

We introduced the history of changes to risks, making our risk module fully auditable without setting up additional controls. With the auditable risk history, customers can track the efficacy of their controls and further optimize the control environment to support their risk appetite.

We opened a public API for customers to extract control results and update data sheets. This allowed customers to push data from third-party systems such as SAP directly into the Impero platform for control performance.

With integrations in place, customers will save time copying data between systems and achieve higher data quality and more effective controls, freeing up time for more value creating assignments.

On top of the API, we also published a connector for Power BI, allowing customers to make relevant reports and analyses for their organization while mashing up data from other enterprise systems.

Using Power BI, relevant compliance data can quickly be shared with and pushed to the relevant stakeholders across the enterprise, increasing the buy-in and support for compliance programs and the overall level of trust and transparency.

We believe that integration to the wider compliance ecosystem will have a positive impact on our abilities to expand the use of Impero into new areas



Management commentary (cont.)

and increase customers' value from using the platform.

Lastly, we worked closely with our customers to understand their needs for a set of simple yet comprehensive control-testing features, allowing customers to set up control-testing programs that will help identify weaknesses, ensure compliance, enhance transparency, and improve decision-making about their control environments.

Organization

In Q1 2022, Impero hired its first Chief Financial Officer and Chief Marketing Officer, and strengthened its competencies within those areas.

Throughout the first half of 2022 the company further strengthened the marketing team, building the foundation to handle both inbound and outbound lead generation efforts and is now looking forward to welcoming the new Chief Sales Officer.

In Q3 the company made a minor organizational change to boost its commercial focus and allow more investments in this area. At the end of the year, Impero had 34 employees dedicated to building trust based on actions.

Capital

At the beginning of 2022, a warrant holder exercised warrants with a total proceeds for the company of DKK 1.7M, and in November 2022 Impero

successfully raised DKK 7M in a directed issue with participation from new as well as existing shareholders, including among others Kolind A/S, BankInvest, Klaus Holse and Jørgen Bardenfleth, Chair of the Board.

The capital increase was conducted to support the continued investments in developing the organization and to strengthen the foundation for continuous growth.

At the beginning of 2023, several warrant holders decided to exercise their warrants, with total proceeds for the company of DKK 1.4M.

Impero enters 2023 with a solid cash position and with flexibility to manage the capital structure going forward based on both commercial as well as macroeconomic development.

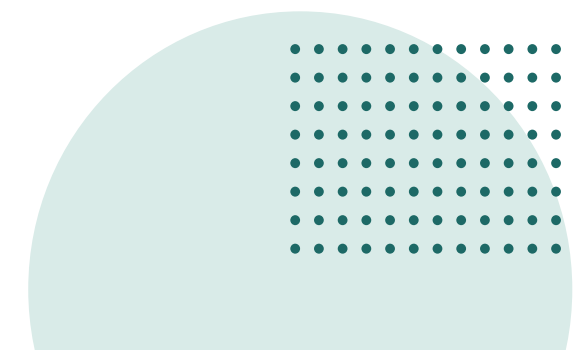
As reflected in our outlook, management is focusing on striking a balance between improving EBITDA and investing in the development of the company. It is a set goal for the company in 2023 to improve the ratio of cash-burn from ordinary activities versus net new ARR.

Thank you

Thank you to all employees, customers, partners and shareholders for the support and the progress we made in 2022 towards increased trust and transparency.

We are proud and grateful for all the hard work put into the continued development of Impero.

We are already well into 2023 and look forward to taking the next steps towards fulfilling our mission.



SaaS metrics

ARR development and SaaS metrics

A key growth metric for Impero is ARR, which measures the recurring revenue of Impero’s subscriptions over a 12-month period at a given date. ARR may decrease if a customer churns or downgrades their subscription and will increase when new customers are onboarded or when current customers expand their subscriptions.

At the end of 2022, Impero’s ARR amounted to DKK 24.4M, an increase of 33% compared to the end of 2021. Net ARR growth in the fourth quarter of the year amounted to DKK 2.9M. Though a strong end to the year, the ARR growth for the entire period turned out to be lower than originally expected

and was impacted by longer decision-making processes among our customers.

In line with previous periods, 51% of the new ARR is generated through Impero’s own channels with the remaining part stemming from the partner channel.

Key metrics remain solid with an uplift from existing customers of 17% YoY and a continuously low churn of 4% YoY. Impero has been able to retain 112% of the total ARR generated at the beginning of the 12-month period.

The average revenue per account (ARPA), reached DKK 168T as of 31 December 2022, corresponding to an increase of 11% from the end of 2021.

The customer acquisition cost (CAC) increased from DKK 129T in 2021 to DKK 220T in 2022, due to the commercial investments made to support our growth strategy, and the fact that we did not meet our initial ARR outlook.

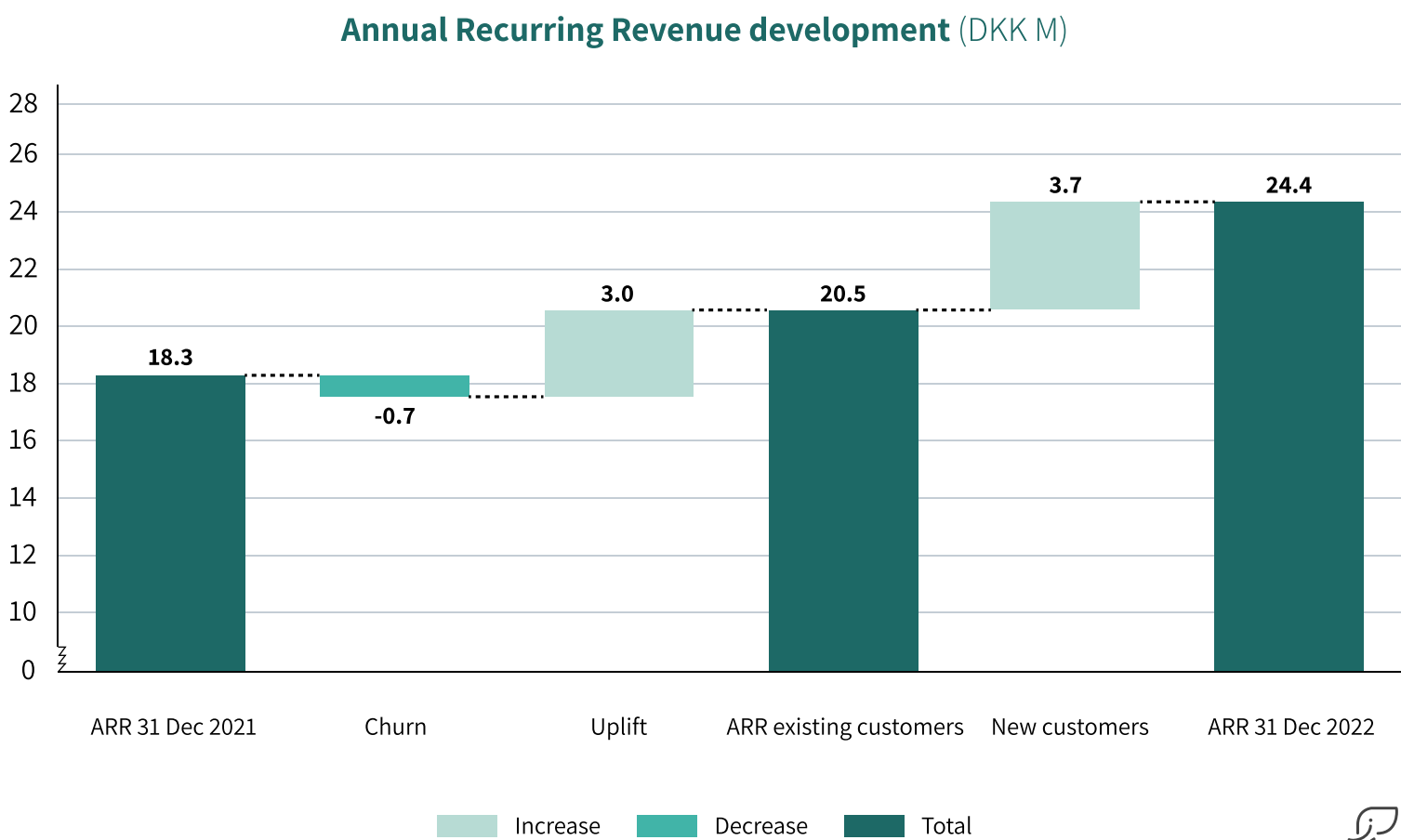
For the 12-month period, it takes approximately 23 months to recover the cost of acquiring a new customer.

Though still a reasonable number considering Impero’s ability to retain customers, our aim is to lower the CAC ratio during 2023 as we expect an impact of the investments made within the commercial area.

Impero SaaS metrics (12 months rolling)*

	2022	2021
Annual Recurring Revenue (DKK M)	24.4	18.3
ARR Growth (12 months) (%)	33%	45%
Uplift on existing customers (%)	17%	20%
Churn (12 months) (%)	4%	6%
Net Revenue Retention Rate (NRR) (12 months) (%)	112%	114%
Average ARR Per Account (ARPA) (DKK T)	168	160
Average ARR Per Account (first 12 months) (DKK T)	115	119
Customer Acquisition Cost (CAC) (DKK T)	220	129

*Refer to Glossary of SaaS metrics on page 31.



SaaS metrics (cont.)

Regional growth and cohort development

Impero welcomed 33 new customers in 2022, of which 16 were from Denmark, 10 from the DACH region and 7 from UK&I and other geographies.

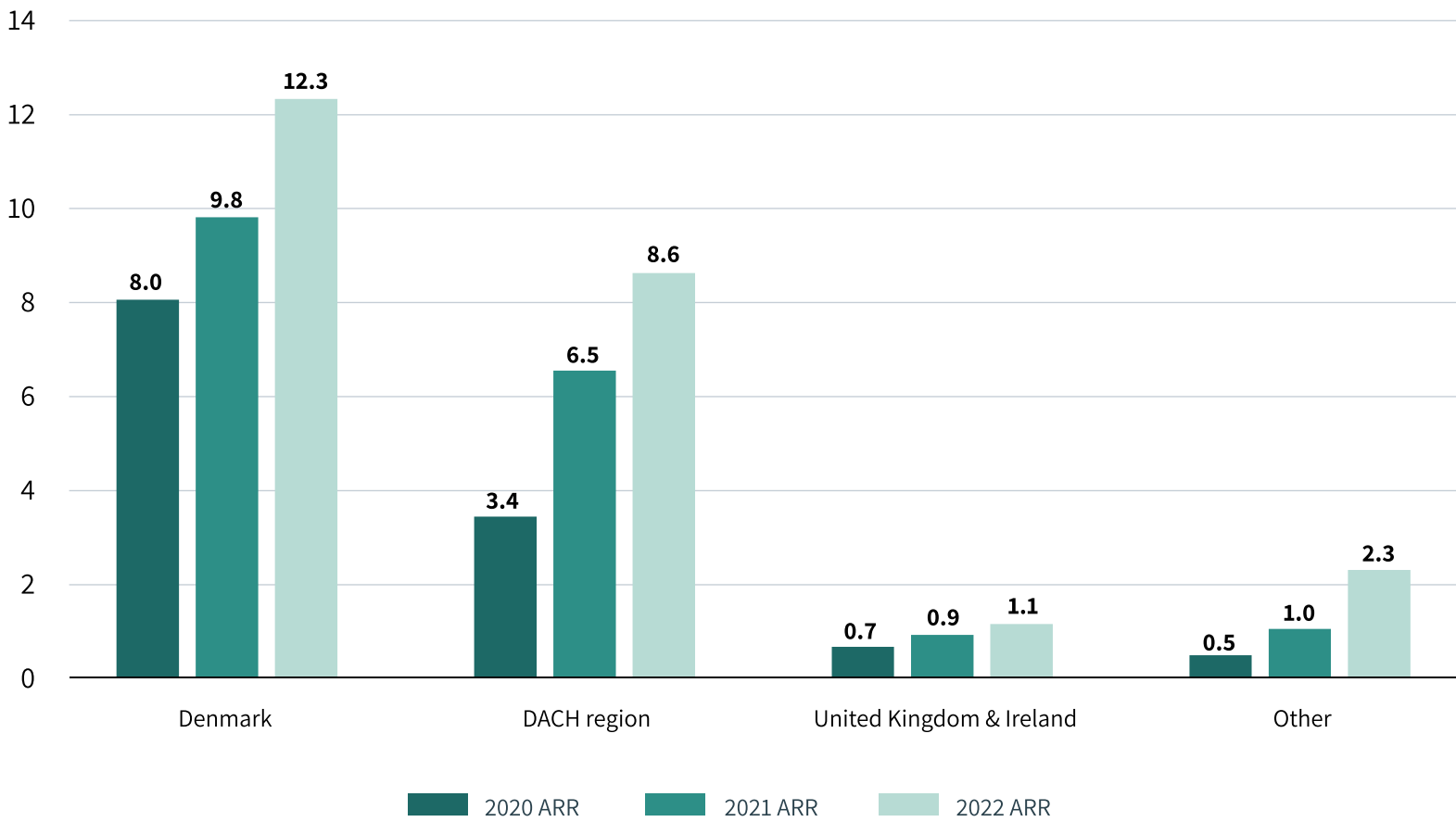
ARR grew in the DACH region by 28% in 2022, and now constitutes 35% of total ARR. ARR in Denmark grew 28%, now accounting for 51% of the total ARR compared to 54% in 2021.

We have seen growing ARR in all markets with above-average growth outside Denmark and the DACH region, which is driven by a positive uplift development and onboarding of new customers in Greenland and Singapore. In the DACH region as well as in Denmark, we still see a positive development, although growth is a bit lower than originally anticipated.

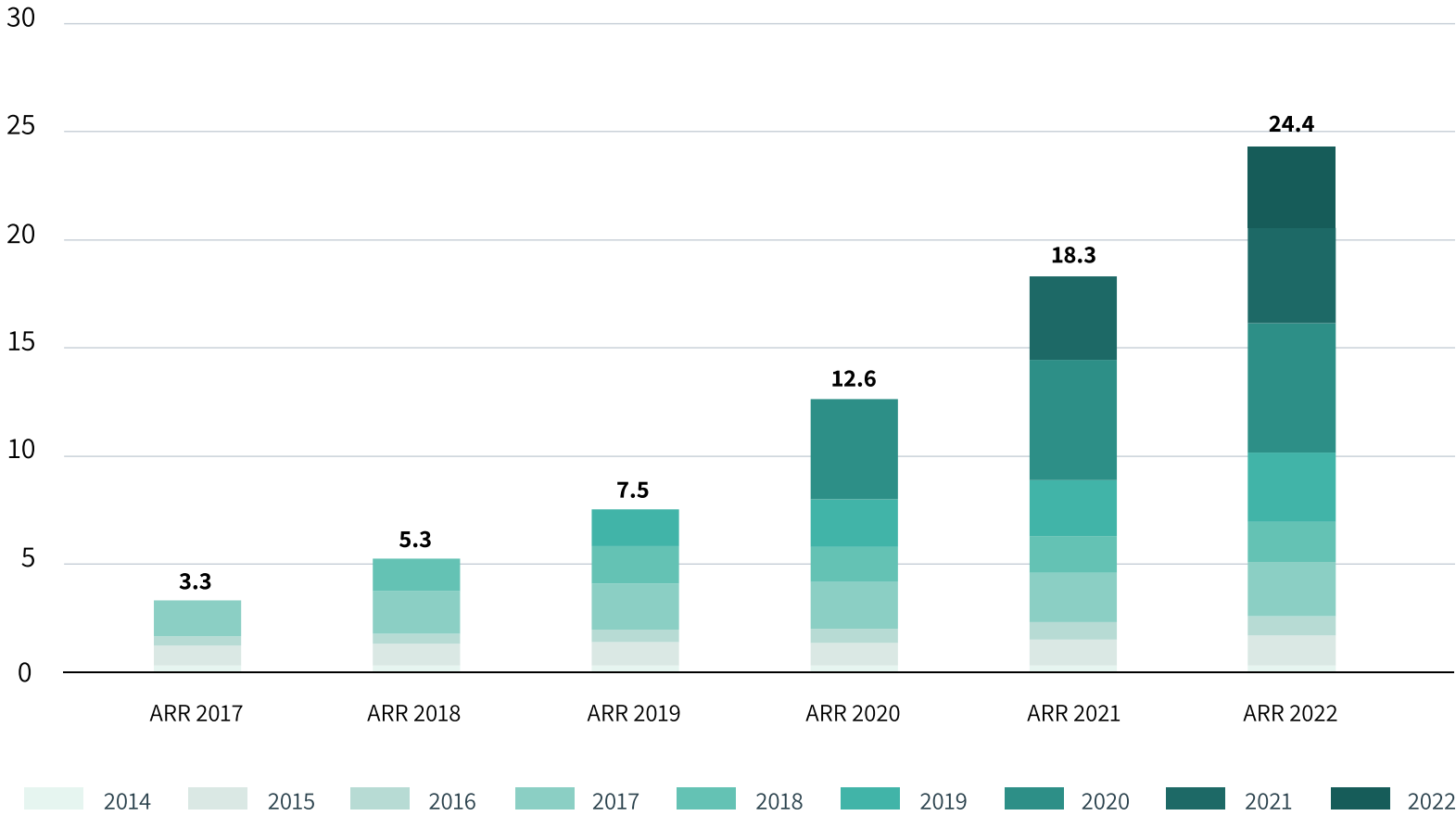
For 2023 we aim to follow our expansion strategy with a focus on growing the business in Northwestern Europe.

We continue to see a positive net uplift in the cohort for the entire period from 2015 and up to today. Especially for customers onboarded since 2019, the usage of Impero has increased substantially and is supporting the land and expand strategy, as well as proving the value Impero creates for the customers implementing the solution.

Regional growth (DKK M)



ARR cohorts (DKK M)



New ARR methodology

Improved transparency to ARR calculation

With the aim of improving transparency, Impero will adjust the way the ARR metric is calculated by applying the Live ARR methodology which is widely used and, at the same time, eliminates room for interpretation.

Our current ARR calculation method (used until the end of 2022) is based on recurring revenue bookings for the coming 12 months. The same logic is applied for calculations of churn or contraction, i.e., the current ARR calculation represents a net number for the coming 12 months at any given date.

Though this is a fair way of showing the expected revenue from a forward-looking perspective, we realize that the approach leaves room for interpretation when it comes to, for example, new

customer count and logo churns, and a level of uncertainty in case a signed contract does not materialize.

To simplify the methodology and make it more transparent, **going forward ARR will not factor in future events, including new deals signed but not yet recognized as revenue.** Following the same logic, a churn is not realized until after the expiration of a canceled contract.

Depending on methodology, the ARR metric will vary. For the end of 2022 as an example, the difference between the two methodologies is mainly related to the gap between the signing and subscription start dates.

Subscriptions starting in the future are not part of the new ARR calculation method as it does not include recognized revenue at the time of reporting.

Example of ARR calculations

As shown below, there is a difference of DKK 1.7M depending on the ARR calculation method by the end of December 2022. At the end of January, the difference is however reduced to DKK 0.4M.

The variation at year end can to a large extent be explained by contracts signed in 2022 but not being recognized as revenue until 1 January 2023 or later. Such contracts are included in the former ARR methodology but excluded in the new.

Going forward Impero will use the new ARR methodology why this also applies for the 2023 outlook.

We are strictly adjusting how the ARR is derived and are not making changes related to how revenue is recognized or when customers are billed.

Going forward ARR will not factor in future events, including new deals signed but not yet recognized as revenue.

Calculation method	ARR	ARR
	End of December 2022	End of January 2023
Current ARR method (until end of 2022)	DKK 24.4M	DKK 24.8M
New ARR method (from beginning of 2023)	DKK 22.7M	DKK 24.4M



Outlook for 2023

Strategic ambition

Impero's growth journey is sustained by a market for compliance management software that is expected to continue to grow significantly.

Combined with the trends of increasing compliance regulation and legislation, more customers and suppliers demand ethical and compliant organizations and experience the imperative demand for digitization of compliance management.

The immediate strategic focus of Impero is two-fold. We intend to continue growing our partnerships and simultaneously develop our foothold in existing markets to support increasing direct sales. The immediate geographical focus will be on the region of Northwestern Europe.

Impero's ambition is to become a de facto market standard compliance management platform.

As the platform and business model is highly scalable, the aim is to create a foothold in new markets and encourage broader use of our platform with existing customers.

Though not meeting the strategic growth ambition presented in the IPO document, we believe that the company will continue to deliver solid double-digit growth rates in 2023.

Outlook 2023

Based on the new ARR methodology introduced on page 10, Impero expects ARR in the range of DKK 29M to 33M by the end of 2023, with ARR at the end of 2022 being DKK 22.7M. The outlook corresponds to growth rates between 28% and 46%.

Impero will continue to invest in scaling the organization to ensure long-term ARR growth and at the same time focus on lowering the cash-burn. We expect EBITDA for 2023 to be in the range of DKK -13M to -11M.

The expectations for the above are based on assumptions that the company can retain and attract partners as well as commercial and technical profiles to expand and develop the platform. Furthermore, timing of revenue recognition for new customers is essential in relation to outlook. The company's pipeline proves that the demand for Impero's offerings is intact

and that continuous investments in product development as well as commercial expansion continue to add value for Impero's customers and shareholders.

Impero follows the geopolitical situation closely as the unfavorable macroeconomic conditions observed during 2022 is expected to continue in 2023 with longer sales cycles and increased uncertainty potentially leading to higher churn. The outlook is dependent on no further aggravation of the geopolitical instability observed.

Events after the balance sheet date

On 25 January 2023, several warrant holders decided to exercise their warrants, with total proceeds for the company of DKK 1.4M. No other events have occurred after the balance sheet date, which are considered to have a significant impact on the assessment of the Annual Report.

Safe-harbor statement: Statements about the future expressed in the Report reflect Impero's current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the Company's actual results may differ from the expectations expressed in this Report.



Our customers

Impero pioneers simplicity in the compliance domain to make it easier for our customers to become and stay compliant.

But compliance challenges vary in organizations – and so does Impero’s use case.

That’s why Impero is the platform of choice for some of the world’s most trusted organizations, with users around the globe.

This includes brands like **Maersk, Siemens, Porsche, Volkswagen, and Bank Austria.**

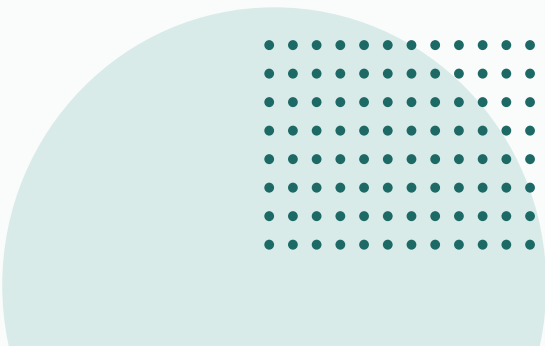
We’re a preferred partner of Big4 firms across several markets in Northwestern Europe.

And we have a range of smaller customers whose compliance needs are made simpler through our platform.

In total, we count **a quarter of the companies listed on the Danish OMX C25 index, as well as 15% of the German DAX 40 index as our customers.**

We’ve recently welcomed new and diverse customers mainly in Europe with the common factor that compliance is high on their agenda.

Trusted by more than 140 customers



“

What our customers say



“In a global organization like ours, it’s vital that **software is easy-to-use and can be scaled** to fit our needs. Impero’s support team helped us get started quickly, with a set-up that suits the way we work. This has helped us use Impero to monitor and manage our compliance at scale.”

Stamela Skreta
Senior Finance Controller – Maersk Supply



“We were searching for a tax compliance system for a long time. **We found Impero through Mazars, and now have a strong software partner to support us across our global entities.** It wasn’t just the software that won us over, but the dynamic and energetic team that started work immediately and **gave us confidence that we’re on a good path together.**”

Michael Dalles
Director of Tax – Empira AG



Impero has made our quarterly-end process much simpler and more transparent. This means we can focus on the controls that give us the **most value, as well as find even more ways to make the process simpler in the future.**

Jonny Jonasson
CFO – European Energy



Our organization

Impero is proudly a people-first organization.

“We are confident that our people bring the talent, abilities and diversity of ideas we need to reach our goals and contribute to an enriching and enjoyable culture.” – Rikke Stampe Skov, CEO.

Impero is proudly a people-first organization. We believe that by attracting and developing diverse talent, and ensuring our people have the proper tools and support needed in a growth environment, they will excel.

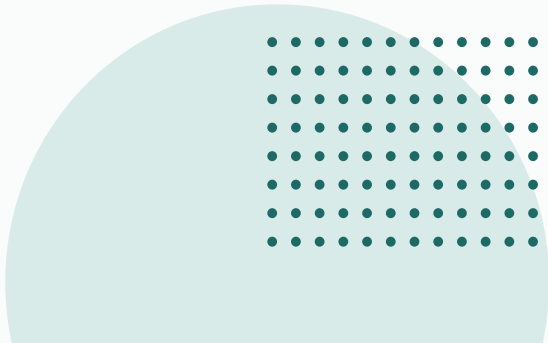
We care about each and every one of our employees and do our utmost to promote simple structures and create an open and positive atmosphere across the entire organization. Doing so helps create a solid foundation for innovation and empowers agile and more nuanced decision-making.

Throughout 2022, we have continued to develop the organization to support the growth journey and a series of strategic hires have added to the diverse makeup of Impero. Growing the organization, the aim is to strengthen the gender balance among employees and managers over the coming years.

As we expand and increase the footprint in new geographies, we have a strong focus on living the values of being curious, caring, transparent and rebellious, to help Impero carry out its mission of pioneering simplicity in the compliance domain.

Metrics	2022	2021	2020
Employees end of year	34	35	19
Nationalities	11	10	4
Employees female %	29%	33%	26%
Management female %	22%	40%	25%
Board of Directors female %	33%	17%	17%
Employee engagement*	4.0/5	7.7/10	-

*In 2021 the scale of 1-10, and the score was 7.7, 10 being the most positive. In 2022, the score was 4 on a scale of 1-5, with 5 being the most positive.



Shareholder information

Impero was listed on Nasdaq First North Growth Market on 22 April 2021, and trades under the ticker ‘IMPERO’.

As of 31 December 2022, Impero’s share capital amounts to DKK 2,007,756.2 divided into 20,077,562 shares each with a nominal value of DKK 0.10. There is one class of shares, and all shares carry one vote.

The Impero stock price was DKK 4.8 on 31 December 2022, a decrease of 49% from the presubscription price of DKK 9.7, compared to a decrease of 53% of the Nasdaq First North Growth Market in the same period. The share price of DKK 4.8 was equal to a market capitalization of DKK 96.4M.

Shareholder structure

As of 31 December 2022, Impero had 1,138 registered shareholders. The largest shareholders were Kolind A/S, which held more than 25% of the total shares at year-end 2022, and JG Invest & Consult ApS, which held more than 20%. PN12 Invest ApS held more than 10%, while BankInvest held more than 5%. The Board of Directors and Executive Management held directly 31% of the Impero shares at year-end 2022.

Dividends

Impero has not paid any dividends. Proposals hereof will be considered by the Board of Directors when Impero has achieved long-term profitability.

Warrants

Impero has a total of 2,902,500 warrants outstanding as of 31 December 2022.

Of these, non-executive employees hold 1,145,000 warrants, the current executive management team holds 1,167,500 warrants and the Board of Directors of Impero holds 590,000 warrants.

At the beginning of 2022, 393,000 warrants were exercised by a former executive (Company Announcement No. 1-2022). In April 2022, the Annual General Assembly granted a total of 60,000 warrants to two members of the Board of Directors (Company Announcement No. 5-2022).

In September 2022 the board decided to exercise a part of its current authorization by issuing 200,000 new warrants to key employees in the Company (Company Announcement No. 8-2022).

As of 25 January 2023, instructions were received to exercise 597,500 warrants (Company Announcement No. 1-2023) and at the time of the release of the Annual Report, the total outstanding warrants amount to 2,265,000.

Currently, the Board of Directors has an authorization to issue 150,000 new warrants that runs until 23 April 2023.

Warrant holders	Subscription price (avg.)	Outstanding warrants	Exercise period
Board of Directors	4,7	590,000	2023-2027
Executives	5,2	1,167,500	2023-2027
Other employees	3,9	1,145,000	2023-2027
Total	4,6	2,902,500	2023-2027



Management bios



Rikke Stampe Skov, CEO

Born: 1970 | **Shares:** 763,090 | **Warrants:** 975,000*

First joining the Impero Board in 2016, Rikke has been CEO since 2018. With experience as a Partner at Odgers Berndtson and in PwC’s Risk Assurance Services, Rikke’s career has also included roles at Maersk, Siemens, ISS and co-founding an IT security consulting company.

Rikke has a BSc in Business Administration and Commercial Laws, and a Graduate Diploma in Business Administration (Organization and Management) from Copenhagen Business School.

Other key positions: Chair at Union Bulk A/S and Board member at Penneo A/S.



Morten Lehmann Nielsen, CFO

Born: 1982 | **Shares:** 3,160 | **Warrants:** 155,000

Starting at Impero in 2022, Morten brings more than 15 years’ experience within finance management, M&A and investor relations prior to his role as CFO.

Morten’s background includes roles at the hearing healthcare company Demant, where he was VP Finance & Business Operations at Oticon Medical and VP Finance for the Demant Group of companies in the USA and has as well been working with Investor Relations and business development. Morten started his professional career at Deloitte Corporate Finance.

Morten has an MSc in Applied Economics and Finance from Copenhagen Business School.



Allan Lykke Christensen, CTO

Born: 1979 | **Shares:** 20,618 | **Warrants:** 145,000

Allan has been Impero’s CTO since 2021 and brings more than 20 years of experience working in Europe, Asia and Africa.

Allan was the CTO of Boyum IT Solutions before joining Impero. His career includes being the Head of Delivery for Digital Marketing at the LEGO Group and Vice President of ICT Consulting at Danish Management Group. He has a BSc in Computer Science and E-Business from Loughborough University.

Other key positions: Board member at Combinus A/S.



Shane King, CMO

Born: 1978 | **Shares:** - | **Warrants:** 40,000

Joining Impero in 2022, Shane brings 20 years’ experience in tech, marketing, and management consulting in Europe and APAC to his role as CMO.

With experience at international companies including Hitachi Consulting and Lumesse, prior to joining Impero, Shane was Digital Marketing Director at Visma and then Director of Content and Creative at Danish scale-ups Falcon i.o., and Planday.

Shane has an MA in European Business Law from Lund University.

*On 25 January 2023 Rikke Stampe Skov exercised 37,500 warrants which is reflected in the overview above.



Board of Directors



Jørgen Bardenfleth, Chair of the Board

Born: 1955 | **Shares:** 405,985 | **Warrants:** 195,000 | **Independent**

Jørgen serves as the Chair of the Board at Impero A/S. Jørgen is an accomplished investor and Board member in several organizations operating in tech, MedTech, science, and consultancy.

Jørgen’s experience within the technology and IT sectors includes executive positions with tech enterprises HP, Intel, and Microsoft Denmark.

He is also an educator with Copenhagen Business School and Board Assure, and has an MBA in Marketing and Finance from the University of California and an MSc in Electronic Engineering from DTU.

Other key positions: Chair at Dubex A/S, Bizbrains A/S, Symbion A/S, Vice Chair at Scandion Oncology A/S and BLOXHUB, Board member at CN3 A/S, Accelerace Management A/S, Vallø Stift, Copenhagen Capacity, Jumpstory Aps and BIM Genetics Aps.



Sten Tore Sanberg Davidsen, Vice Chair

Born: 1957 | **Shares:** 84,481 | **Warrants:** 250,000* | **Not Independent**

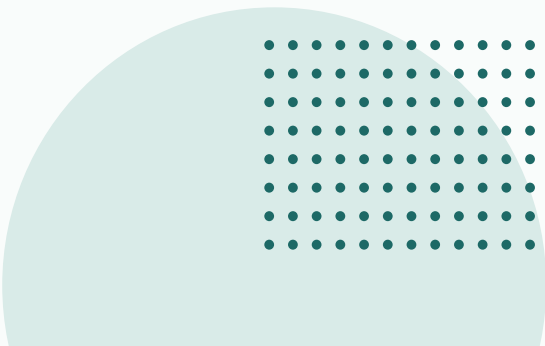
Sten is a dedicated member of several boards of both small and large Danish companies. His vast experience spans management, finance, IT, legal, strategy, and change management.

Sten’s career within executive positions includes the positions of CFO at KMD A/S and CEO at KMD BPO A/S as well as the COO position with Oticon A/S.

He has an MSc in Economics and several executive diplomas from Wharton, University of Pennsylvania and International Institute for Management Development in Lausanne, Switzerland.

Other key positions: Executive at Kolind A/S and Kolind Invest A/S, Chair and Executive at Tixibots ApS, Executive and Board member at Jacob Jensen Holding A/S and Jacob Jensen Brand A/S, Board member at Jacob Jensen Design A/S.

*On 25 January 2023 Sten Tore Sandberg Davidsen exercised 75,000 warrants which is reflected in the overview above.



Board of Directors (cont.)



Helen Agering, Board member

Born: 1981 | **Shares:** - | **Warrants:** 30,000 | **Independent**

Helen joined the Impero Board in 2022, and brings experience in the C-Suite, as a strategic advisor, investor and Board member across the b2b SaaS industry to her role.

Helen is Partner at Marathon Software AB and has an MSc in International Economics from Lund University.

Other key positions: Board member at Combify AB, Nordnet Pensionsförsäkring AB, and Defentry AB.



Carsten Gerner, Board member

Born: 1953 | **Shares:** 200,636 | **Warrants:** 10,000 | **Independent**

Carsten is a professional Board member with extensive experience in audit and risk management. He has been one of the key players within Danish Big4 as the former Territory Senior Partner and CEO of PwC; a position which he held for more than eight years.

Carsten has an extensive track record as a non-executive board member in several large Danish companies. His highly-specialized competencies include management and leadership, and Carsten also advises on strategy and organizational development. He is a Certified Public Accountant and holds a MSc in Business Administration.

Other key positions: Chair at IAI Holding A/S and Ib Andresen Industri A/S, Board member at DSB and Boligfonden DTU.



Jørn Gregersen Grove, Board member

Born: 1949 | **Shares:** 4,774,038 | **Warrants:** - | **Not Independent**

Jørn is a professional investor and has longstanding experience from management as well as Board positions within various industries.

He has an MSc in Business Administration and Accounting from Aarhus University.

Other key positions: Executive and owner at JG Invest & Consult ApS and Grove Ejendomsinvest ApS.



Line Køhler Ljungdahl, Board member

Born: 1978 | **Shares:** 30,366 | **Warrants:** 30,000 | **Independent**

Line is Executive Vice President and Chief Legal Officer of Bang & Olufsen A/S and has an extensive career in various executive positions within legal, enterprise risk management, IP, compliance, and brand protection.

She has an LLM from Copenhagen University and an Executive MBA from Copenhagen Business School.

Other key positions: Board member and Chair at several Bang & Olufsen group subsidiaries and Board member at Statens Ejendomssalg A/S.



Risk management

Impero's management continuously monitors and evaluates relevant risks and the process is assessed by the Board of Directors on an ongoing basis. The risk management approach covers industry, macroeconomic and financial, cyber, and HR risks.

We recognize that managing risks is an ongoing process that requires continuous monitoring and improvement. In this section, we provide an overview of the key risks faced by our company and the measures we have taken to mitigate these risks.

Industry Risk

Impero operates in a competitive and rapidly changing market. We face the risk of losing market share to competitors, changes in customer preferences, and shifts in regulatory requirements.

We mitigate these risks by investing in customer support, and in developing innovative solutions to meet evolving customer needs, and maintaining a strong focus on regulatory compliance.

To further strengthen this approach Impero has a close collaboration with customers and partners when it comes to product development.

Macroeconomic & Financial Risk

Impero's business is influenced by macroeconomic factors such as interest rates, inflation, and exchange rates. Fluctuations in such factors can impact our revenue, profitability, and cash flows. We mitigate these risks by maintaining a strong

balance sheet focus and by regularly reviewing and updating our financial and operational plans to cater for the constant changes in the environment.

Cyber Risk

Our business relies heavily on technology, and we face the risk of system failures, cyber-attacks, and other operational disruptions that could adversely affect our operations.

We have implemented comprehensive security measures and protocols to safeguard our systems, and we regularly review and update our processes to ensure that they are effective and efficient.

Security and compliance, including data protection, are critical elements in the offering to our customers. We operate an Information Security Management System (ISMS) that ensures that independent third-party auditors and security specialists review and test our security posture annually.

In turn, we review and evaluate our vendors' security posture, ensuring our customers' security and compliance with existing regulations.

The outcomes of the audits are independent audit statements, including ISAE 3000 Type 2, ISAE 3402 Type 1, TISAX (Trusted Information Security Assessment Exchange for the automotive industry), and DCSO ISA (Deutsche Cyber-Sicherheitsorganisation Information Security Assessment).

Reputable Big4 accounting firms issue the ISAE audit statements and TISAX security assessment.

Penetration tests of our systems are conducted by trusted cyber security companies and result in pen-testing reports with findings immediately reviewed and addressed by the management team.

Cyber security is a moving target, and we continue to invest in this area to mitigate our operational risks.

Human Resource Risk

Our business relies on the skills and expertise of our employees, and we face the risk of losing key personnel, or failing to attract new talent.

We mitigate this risk by providing a positive work environment, competitive compensation, and opportunities for career advancement.

In conclusion, Impero is committed to identifying and managing risks to protect the interests of our stakeholders and ensure the long-term sustainability of our business.

We believe that our proactive approach to risk management, combined with our focus on innovation, customer satisfaction, and regulatory compliance, will enable us to continue to grow and succeed in a rapidly changing market.



Statement by management

The Board of Directors and the Executive Board have today considered and approved the Report of Impero A/S for the period 1 January 2022 to 31 December 2022.

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

In our opinion, the Report gives a true and fair view of Impero’s financial position at 31 December 2022 and of the results of its operations for the period 1 January 2022 to 31 December 2022. We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Copenhagen, 14 March 2023

Executive Board

Rikke Birgitte Skov, Chief Executive Officer
Morten Lehmann Nielsen, Chief Financial Officer

Board of Directors

Jørgen Vilhelm Løvenørn Bardenfleth, Chair of the Board
Sten Tore Sanberg Davidsen, Vice Chair
Helen Agering, Board member
Carsten Gerner, Board member
Jørn Gregersen Grove, Board member
Line Køhler Ljungdahl, Board member

Financial calendar

<div>Annual General Meeting</div> <div>20</div> <div>April 2023</div>	<div>Quarterly Report (Q1) 2023</div> <div>11</div> <div>May 2023</div>	<div>Interim Report (H1) 2023</div> <div>24</div> <div>August 2023</div>	<div>Quarterly Report (Q3) 2023</div> <div>14</div> <div>November 2023</div>	<div>Annual Report 2023</div> <div>14</div> <div>March 2024</div>
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Independent auditor's report

Opinion

We have audited the financial statements of Impero A/S for the financial year 1 January 2022 to 31 December 2022, 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 December 2022 and of the results of its operations for the financial year 1 January 2022 to 31 December 2022 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 skepticism 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.

Independent auditor's report (cont.)

Auditor's responsibilities for the audit of the financial statements (cont.)

- 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, 14 March 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No.33963556

Bjørn Winkler Jakobsen

State Authorized Public Accountant
Identification No (MNE) mne32127



Financial review

Revenue

Recognized revenue in the 12-month period ending 31 December 2022 increased by 32% compared to the same period in 2021 and is a result of the commercial focus and investments in constantly developing our platform. The revenue growth was fuelled by expanding activities in our main markets.

Cost of sales

Cost of sales has decreased by 40% compared to 2021, leading to an increase in the contribution margin to 96%.

The improvement in the contribution margin is mainly explained by one-off items related to re-invoicing an implementation cost in 2021.

The recurring cost of sales remains stable around 4% of revenue.

Other external expenses

Other external expenses increased by 19% in 2022 compared to 2021. Impero increased costs related to operations to facilitate the growth and internationalization: e.g., costs of office space, increased marketing activities as well as recruiting and onboarding costs.

Staff costs

Staff costs increased by 32% for 2022 which primarily is related to hirings within sales,

marketing, software development, and operations. In 2022 staff costs were further impacted by one-off items of approx. DKK 1.3M related to reorganizations.

Operating profit/loss (EBIT)

Impero’s operating profit amounted to negative DKK 19.0M in 2022 compared to negative DKK 16.2M for 2021.

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EBITDA

EBITDA for 2022 amounted to negative DKK 17.1M versus negative DKK 14.8M in 2021.

.....

Intangible assets

Intangible assets as of 31 December 2022 have increased by 24% to DKK 7.3M when compared to the end of 2021 and are driven by investments in development projects and customer acquisitions.

Trade receivables

Trade receivables as of 31 December 2022 have reached 25% of revenue compared to 19% at the end of 2021.

The development reflects timing of invoicing. The Company does not foresee losses on its debtors.

Cash flow statement

The cash and cash equivalents as of 31 December 2022, amount to DKK 15.2M.

Impero invested in intangible assets of DKK 1.4M during 2022, which primarily consists of capitalized costs related to platform development activities as well as customer acquisitions (customer portfolio acquired).

Impero had a negative cash flow from ordinary operating activities of DKK 18.0M for 2022 against a negative cash flow from ordinary operating activities of DKK 12.7M for 2021.

This is related to the increase in costs from operations to facilitate the growth and internationalization of Impero, e.g., employment costs, cost of premises, and increased commercial activities.

Increase in capital is related to the proceeds of the capital increase in November 2022, as well as the exercise of warrants in January 2022.

For 2021 the increase in capital was related to proceeds from the IPO. Cash flow from Other financing activities is related to the preparation of the IPO in 2021.



Income statement

	Notes	2022 DKK T	2021 DKK T
Revenue		19,868	15,095
Cost of sales		(856)	(1,424)
Other external expenses		(12,292)	(10,349)
Gross profit/loss		6,719	3,321
Staff costs	1	(23,839)	(18,126)
Depreciation, amortization and impairment losses	2	(1,861)	(1,438)
Operating profit/loss (EBIT)		(18,982)	(16,243)
Other financial income		56	1
Other financial expenses		(230)	(258)
Profit/loss before tax		(19,156)	(16,500)
Tax on profit/loss for the period	3	649	478
Profit/loss for the period		(18,506)	(16,022)
Proposed distribution of profit and loss			
Retained earnings		(18,506)	(16,022)
Proposed distribution of profit and loss		(18,506)	(16,022)
EBITDA		(17,120)	(14,805)

Notes

	2022 DKK T	2021 DKK T
1 Staff costs		
Wages and salaries	26,061	19,494
Pension costs	15	12
Other social security costs	212	151
Other staff costs	504	643
Staff costs classified as assets	(2,951)	(2,173)
23,839	18,126	

Average number of full-time employees in Impero A/S

32	25
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2 Depreciation, amortization and impairment losses

Amortisation of intangible assets	1,861	1,438
Total	1,861	1,438

3 Tax on profit/loss for the period

Current tax	649	478
Total	649	478

Income tax benefits for both the years 2022 and 2021 relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

The company has a tax assets of DKK 12,587T which is not recognized in the balance sheet.

Balance sheet at 31 December 2022

	Notes	2022 DKK T	2021 DKK T
Assets			
Completed development projects	4	6,216	5,180
Development projects in progress	4	735	671
Customer acquisition	4	316	0
Intangible assets	5	7,266	5,851
Investments in group enterprises		214	214
Deposits		326	317
Other financial assets		540	531
Fixed assets		7,806	6,382
Trade receivables		4,953	2,792
Receivables from group enterprises		545	3
Deferred tax		435	435
Income tax receivable		649	478
Prepayments		1,001	398
Other receivables		41	0
Receivables		7,623	4,106
Cash		15,168	27,537
Current assets		22,791	31,643
Assets		30,597	38,025

	Notes	2022 DKK T	2021 DKK T
Equity and liabilities			
Contributed capital		2,008	1,826
Reserve for development expenditure		5,421	4,564
Retained earnings		9,060	19,949
Equity		16,489	26,339
Trade payables		1,015	1,475
Payables to group enterprises		181	0
Other payables		3,304	3,264
Deferred income		9,609	6,947
Current liabilities other than provisions		14,109	11,686
Liabilities other than provisions		14,109	11,686
Equity and liabilities		30,597	38,025
Contingent liabilities	6		

Balance sheet at 31 December 2022 notes

Notes

	Completed development projects	Development projects in progress
	DKK T	DKK T
4 Intangible assets		
Development projects in progress, Cost beginning of year	10,656	671
Development projects in progress, Transfers	592	(592)
Development projects in progress, Additions	2,296	655
Cost end of year	13,544	735
Amortisation and impairment losses beginning of year	(5,476)	0
Amortisation for the year	(1,853)	0
Amortisation and impairment losses end of year	(7,329)	0
Carrying amount end of year	6,216	735

4 Customer acquisition	DKK T
Customer acquisition, Cost beginning of year	0
Customer acquisition, Additions	325
Cost end of year	325
Amortisation beginning of year	0
Amortisation for the year	(9)
Amortisation end of year	(9)
Carrying amount end of year	316

5 Development projects

Development projects in progress include the development of new features in the company’s existing software platform. The development projects 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 projects during execution.

The carrying amount is DKK 6.951T at 31 December 2022. 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.

Customer acquisition

Customer acquisitions include customer relationships that have been acquired and where Impero has an active contractual agreement with the customers. The acquired customer relationships are expected to increase the level of activity and profit for the company in subsequent periods. The carrying amount is DKK 316 at 31 December 2022.

6 Contingent liabilities

The company has entered into operational leasing contracts. The leasing contracts have 11-15 months left to run, and the total outstanding leasing payment is DKK 280T.

The company has rent contracts with a total termination obligation of DKK 434T.



Statement of changes in equity 2022

	Contributed capital	Reserve for development expenditure	Retained earnings	Total
	DKK T	DKK T	DKK T	DKK T
<hr/>				
Equity at 1 January 2022	1,826	4,564	19,949	26,339
Increase of capital	182	0	8,474	8,656
Transfer to reserves	0	857	(857)	0
Profit/loss for the period	0	0	(18,506)	(18,506)
Equity at 31 December 2022	2,008	5,421	9,060	16,489



Cash flow

	2022	2021
	DKK T	DKK T
Operating profit/loss (EBIT)	(18,982)	(16,243)
Amortization	1,861	1,438
Working capital changes	(923)	2,098
Cash flow from ordinary operating activities	(18,043)	(12,707)
Financial income received	56	1
Financial expenses paid	(230)	(258)
Income tax received	478	614
Cash flow from operating activities	(17,739)	(12,350)
Additions of intangible assets	(2,951)	(2,173)
Additions of customer acquisition	(325)	0
Investment in group enterprises	0	(214)
Proceeds from other financial assets	(9)	(249)
Cash flow from investing activities	(3,285)	(2,635)
Increase of capital	8,656	40,333
Other financing activities	0	(3,379)
Cash flow from financing activities	8,656	36,954
Increase/decrease in cash and cash equivalents	(12,369)	21,969
Cash and cash equivalents beginning of year	27,537	5,568
Cash and cash equivalents end of year	15,168	27,537

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 recognized 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 recognized 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 affected 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 recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Income Statement

Revenue: Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognized 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 write-downs of receivables recognized 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, amortization, and impairment

losses: Depreciation, amortization, and write-down comprise depreciation on, amortization of and write-down 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, amortization 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, amortization of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme, etc.

Accounting policies (cont.)

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 recognized in the income statement by the portion attributable to the profit for the year and recognized 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 utilization, 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 recognized as intangible assets. Other development costs are recognized as costs in the income statement as incurred.

When recognizing 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 amortized and written down. The cost of development projects comprises costs such as salaries and amortization that are directly and indirectly attributable to the development projects.

Completed development projects are amortized on a straight-line basis using their estimated useful lifetime which is determined based on a specific assessment of each development project. If the useful lifetime cannot be estimated reliably, it is fixed at 5 years.

For development projects protected by intellectual property rights, the maximum period of amortization is the remaining duration of the relevant rights. The amortization periods used are 5-10 years. Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Customer acquisitions include customer relationships that have been acquired and where Impero has an active contractual agreement with the customers. The acquired intangible assets are measured at fair value and are amortized on a straight line basis over the period of expected future benefit. The amortization period used is 5 years.

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 amortized cost, usually equalling nominal value less write downs for bad and doubtful debts.

Deferred tax: Deferred tax is recognized 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 carry forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

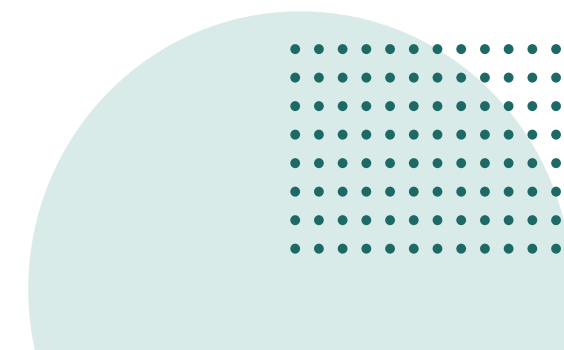
Tax payable or receivable: Current tax payable or receivable is recognized in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

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 amortized 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.



Glossary of SaaS terms

Annual Recurring Revenue (ARR): is a term for the recurring revenue from subscriptions at a given date for the coming 12 months.

- Until end of 2022 new subscriptions are included at the time of entering a binding contract, which would normally be at the time of signing the agreement, whereas changes to existing subscriptions are included when taking into force (e.g. adding or reducing the number of users or changing the subscription plan). Subscriptions that are terminated or not renewed are reduced in ARR on a pro-rated basis until the end of the subscription period.
- From 2023 and going forward, ARR will not factor in future events, including new deals closed but not yet recognized as revenue. Following the same logic, a churn is not realized until expiration. ARR is measured as the monthly recognized revenue from subscriptions multiplied by 12.

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Annual Revenue Per Account (ARPA): is ARR divided by the net number of active accounts (customers).

.....

Churn: is defined as the ARR from existing customers being canceled or reduced during a 12-month period, divided by the ARR at the beginning of the period. From 2023 and going forward, a churn is not realized until after the expiration of the subscription period.

.....

Customer Acquisition Cost (CAC): is staff, marketing, and sales costs to acquire new customers in a given period, divided by the number of new customers in the period.

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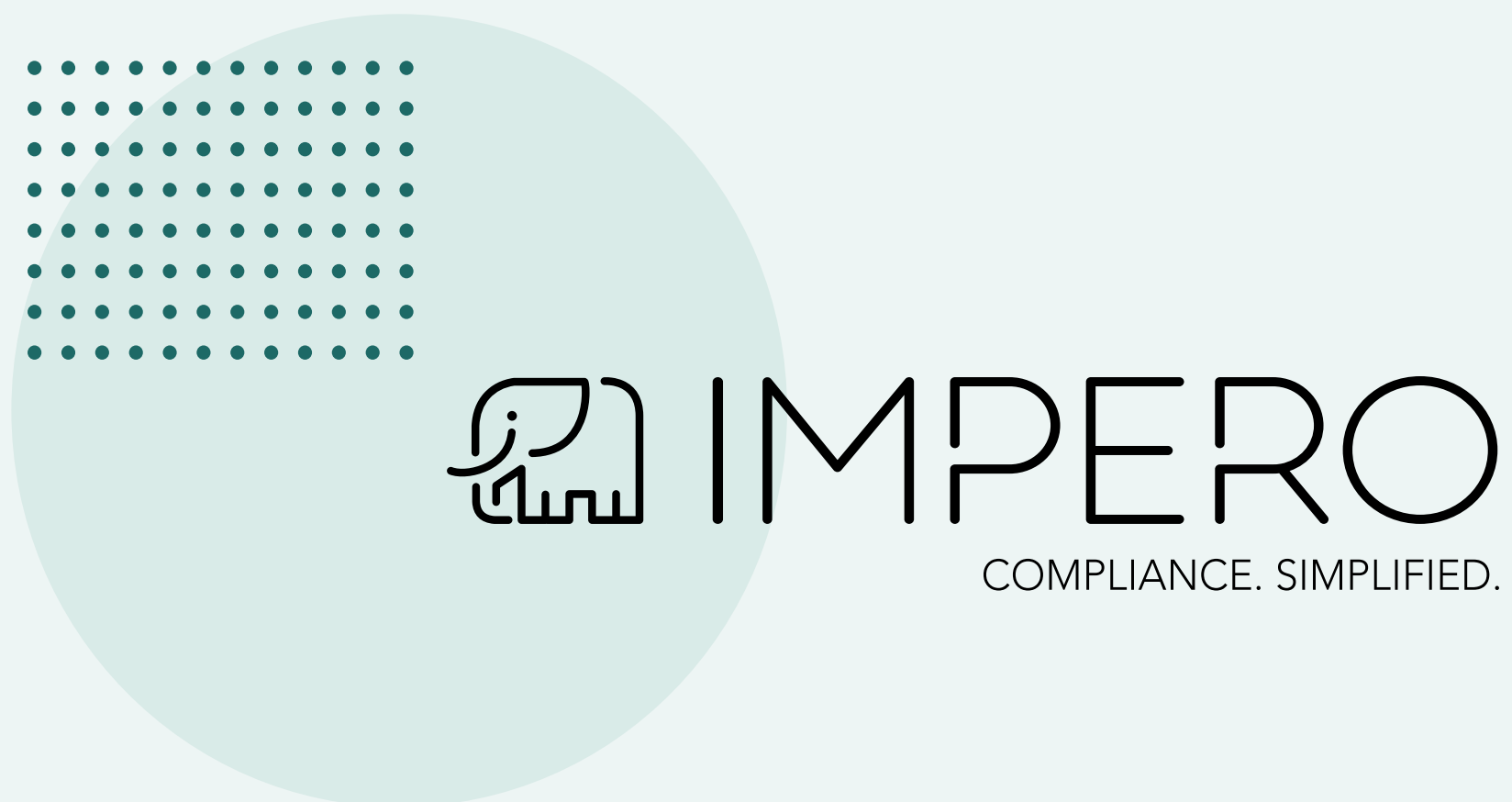
Net Revenue Retention Rate (NRR): is the percentage of recurring revenue retained from existing customers and is based on ARR at the beginning of the period, adjusted for churn and uplift during the period.

.....

Uplift: is the growth of recurring revenue generated by existing customers over a 12-month period.

.....





Impero A/S
Klamsagervej 27, 2
8230 Åbyhøj
CVR No.: 32326676

The information here in may not be published, distributed or delivered wholly or partly, directly or indirectly, in or to the USA, Canada, Australia or Japan. Statements about the future expressed in this Report reflect Impero's current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the company's actual results may differ from the expectations expressed in this Report.