

Annual Report 2024

CVR No. 29 52 01 51

Karupvej 2D, 3. Th. | 8000 Aarhus C | Denmark

The Annual General Meeting adopted the annual report on the 25th of March, 2025

Conductor

Mark S. Rasmussen

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2024	7
Balance sheet at 31.12.2024	8
Statement of changes in equity for 2024	10
Notes	11
Accounting policies	14

Entity details

Entity

iPaper A/S

Karupvej 2D D, 3. th. th

8000 Aarhus C, Denmark

Business Registration No.: 29520151

Registered office: Aarhus

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Nicholai Lambert Hindrichsen

Jesper Holm Joensen

Mark Sjøner Rasmussen

Executive Board

Mark Sjøner Rasmussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of iPaper A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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

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

Aarhus, 25.03.2025

Executive Board

Mark Sjøner Rasmussen

Board of Directors

Nicholai Lambert Hindrichsen

Jesper Holm Joensen

Mark Sjøner Rasmussen

Independent auditor's extended review report

To the shareholders of iPaper A/S

Conclusion

We have performed an extended review of the financial statements of iPaper A/S for the financial year 01.01.2024 - 31.12.2024, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Aarhus, 25.03.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Andersen

State Authorised Public Accountant
Identification No (MNE) mne34506

Management commentary

Primary activities

iPaper's mission is to help high volume retailers and direct selling brands attract, inspire, engage, and convert those wanting to look around. We do this via our Flipbooks product that can digitize printed leaflets & catalogs, as well as our Horizon product that offers a digital-first leaflet creation experience. With more than 1.000 customers across the globe, spanning some of the largest retailers and direct selling brands, iPaper is a leading player in the market.

Research and development activities

The capitalized development costs are related to our development of the iPaper platform. We have and will continue to digitize retail leaflets & catalogs, while ensuring they're made shoppable online. Our goal is to challenge the very foundation on which these leaflets & catalogs are made. Rather than relying on an aging print-process, we will enable online leaflets & catalogs to be made from scratch, with a pure focus on digital. We want to automate the grunt work while supercharging the humans adding the touch that results in the feel and look that shoppers and retailers recognize and desire. In 2020 we launched our first version of Display, our initial take on a purely digital online retail leaflet format. In 2025 we will bring Horizon to market, the successor to Display, offering a fully automated, purely digital alternative to the printed leaflets. We continue to invest heavily in the innovation of Horizon in 2025.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		34,477,368	35,186,602
Staff costs	1	(26,230,787)	(24,616,503)
Depreciation, amortisation and impairment losses		(3,808,460)	(4,250,811)
Operating profit/loss		4,438,121	6,319,288
Other financial income	2	2,229,517	1,584,955
Other financial expenses	3	(292,499)	(682,118)
Profit/loss before tax		6,375,139	7,222,125
Tax on profit/loss for the year	4	(1,399,516)	(1,596,914)
Profit/loss for the year		4,975,623	5,625,211
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		4,300,000	3,600,000
Extraordinary dividend distributed in the financial year		0	5,100,000
Retained earnings		675,623	(3,074,789)
Proposed distribution of profit and loss		4,975,623	5,625,211

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	6	6,395,784	5,423,037
Intangible assets	5	6,395,784	5,423,037
Other fixtures and fittings, tools and equipment		310,201	525,050
Leasehold improvements		14,167	96,948
Property, plant and equipment	7	324,368	621,998
Deposits		508,987	492,002
Financial assets	8	508,987	492,002
Fixed assets		7,229,139	6,537,037
Trade receivables		8,059,823	13,687,409
Receivables from group enterprises		540,772	0
Other receivables		0	369
Prepayments		1,184,067	652,789
Receivables		9,784,662	14,340,567
Other investments		10,915,703	10,306,649
Other investments		10,915,703	10,306,649
Cash		4,759,744	2,578,226
Current assets		25,460,109	27,225,442
Assets		32,689,248	33,762,479

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		500,000	500,000
Reserve for development expenditure		4,988,712	4,229,970
Retained earnings		7,964	91,083
Proposed dividend		4,300,000	3,600,000
Equity		9,796,676	8,421,053
Deferred tax		1,308,163	1,133,008
Provisions		1,308,163	1,133,008
Bank loans		0	160,796
Prepayments received from customers		356,708	347,754
Trade payables		1,079,729	597,332
Payables to group enterprises		76,106	2,054,818
Joint taxation contribution payable		1,224,361	132,431
Other payables	9	1,596,505	2,338,287
Deferred income		17,251,000	18,577,000
Current liabilities other than provisions		21,584,409	24,208,418
Liabilities other than provisions		21,584,409	24,208,418
Equity and liabilities		32,689,248	33,762,479
Fair value information	10		
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		

Statement of changes in equity for 2024

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	4,229,970	91,083	3,600,000	8,421,053
Ordinary dividend paid	0	0	0	(3,600,000)	(3,600,000)
Transfer to reserves	0	758,742	(758,742)	0	0
Profit/loss for the year	0	0	675,623	4,300,000	4,975,623
Equity end of year	500,000	4,988,712	7,964	4,300,000	9,796,676

Notes

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	24,815,406	23,373,355
Pension costs	952,272	902,039
Other social security costs	463,109	341,109
	26,230,787	24,616,503
Average number of full-time employees	40	39

2 Other financial income

	2024 DKK	2023 DKK
Other interest income	84,691	51,345
Exchange rate adjustments	29,098	0
Fair value adjustments	2,115,728	1,533,610
	2,229,517	1,584,955

3 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	13,981	78,025
Other interest expenses	80	50,737
Exchange rate adjustments	0	279,561
Other financial expenses	278,438	273,795
	292,499	682,118

4 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	1,224,361	1,432,431
Change in deferred tax	175,155	164,483
	1,399,516	1,596,914

5 Intangible assets

	Completed development projects DKK
Cost beginning of year	26,558,885
Additions	4,329,733
Cost end of year	30,888,618
Amortisation and impairment losses beginning of year	(21,135,848)
Amortisation for the year	(3,356,986)
Amortisation and impairment losses end of year	(24,492,834)
Carrying amount end of year	6,395,784

6 Development projects

The capitalized development costs are related to our development of the iPaper platform. We have and will continue to digitize retail leaflets & catalogs, while ensuring they're made shoppable online. Our goal is to challenge the very foundation on which these leaflets & catalogs are made. Rather than relying on an aging print-process, we will enable online leaflets & catalogs to be made from scratch, with a pure focus on digital. We want to automate the grunt work while supercharging the humans adding the touch that results in the feel and look that shoppers and retailers recognize and desire. In 2020 we launched our first version of Display, our initial take on a purely digital online retail leaflet format. In 2025 we will bring Horizon to market, the successor to Display, offering a fully automated, purely digital alternative to the printed leaflets. We continue to invest heavily in the innovation of Horizon in 2025.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,610,590	1,215,530
Additions	153,844	0
Cost end of year	2,764,434	1,215,530
Depreciation and impairment losses beginning of year	(2,085,540)	(1,118,582)
Depreciation for the year	(368,693)	(82,781)
Depreciation and impairment losses end of year	(2,454,233)	(1,201,363)
Carrying amount end of year	310,201	14,167

8 Financial assets

	Deposits DKK
Cost beginning of year	492,002
Additions	16,985
Cost end of year	508,987
Carrying amount end of year	508,987

9 Other payables

	2024 DKK	2023 DKK
VAT and duties	451,634	634,712
Wages and salaries, personal income taxes, social security costs, etc. payable	151,566	760,162
Holiday pay obligation	993,304	943,413
Other costs payable	1	0
	1,596,505	2,338,287

10 Fair value information

	Listed shares DKK
Fair value end of year	10,915,703
Unrealised fair value adjustments recognised in the income statement	2,115,728

11 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Liabilities under rental or lease agreements until maturity in total	548,522	1,350,166

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where NZ Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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 a few provisions for reporting class C.

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

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

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

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies etc.

Other financial expenses

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

Tax on profit/loss for the year

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

The Entity is jointly taxed with NZ holding ApS all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc.**

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

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

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Prepayments

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

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

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

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

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income

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

