
Templafy ApS

Østergade 36, 3., DK-1100 København K

Annual Report for 1 January - 31 December 2017

CVR No 25 66 29 46

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/4 2018

Preben Damgaard
Chairman



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Templafy ApS for the financial year 1 January - 31 December 2017.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 19 April 2018

Executive Board

Jesper Theill Eriksen
CEO

Christian Lund
CPO

Henrik Valentin Printzlau
CTO

Board of Directors

Preben Damgaard Nielsen
Chairman

Jeppe Schytte-Hansen

Lars Andersen

Teddie Benjamin Wardi

Jonathan Eric Rosenbaum

Independent Auditor's Report

To the Shareholders of Templafy ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Templafy ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

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.

Hillerød, 19 April 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Carsten Blicher

statsautoriseret revisor

mne16560

Company Information

The Company

Templafy ApS
Østergade 36, 3.
DK-1100 København K

Telephone: + 45 36990102
E-mail: sales@templafy.com
Website: www.templafy.com

CVR No: 25 66 29 46
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Preben Damgaard Nielsen, Chairman
Jeppe Schytte-Hansen
Lars Andersen
Teddie Benjamin Wardi
Jonathan Eric Rosenbaum

Executive Board

Jesper Theill Eriksen
Christian Lund
Henrik Valentin Printzlau

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
DK-3400 Hillerød

Bankers

Danske Bank

Management's Review

Financial Statements of Templafy ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Main activity

The object of the company is to develop and sell software solutions.

Templafy is the simple way to manage and share company templates. On-brand, legally compliant and personalized for each employee, saving time for all areas of business. The software empower Communication and Compliance teams to help their companies stay on-brand, and offer IT teams an easy way to migrate template management to the cloud.

Development in the year

The income statement of the Company for 2017 shows a loss of DKK 15,546,259, and at 31 December 2017 the balance sheet of the Company shows negative equity of DKK 4,982,805.

Targets and expectations for the year ahead

The main objective for Templafy in 2018 is to manifest our position as market leader within cloud based template management and document content management and continue to significantly grow its international customer base and user adoption. As part of this ambition there is a dedicated focus on attracting top talent and strategic partners.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2017 of the Company and the results of the activities of the Company for the financial year for 2017 have not been affected by any unusual events.

Subsequent events

In February 2018 the company finalized a funding round with a significant capital increase from Insight Venture Partners, Dawn Capital and existing shareholders. The capital increase will enable the company to continue its growth strategy for the coming years.

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2017 DKK	2016 DKK
Gross profit/loss		-3.684.637	-4.624.118
Staff expenses	1	-12.666.917	-6.006.022
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-2.924.621	-1.816.072
Profit/loss before financial income and expenses		-19.276.175	-12.446.212
Financial income	3	0	494
Financial expenses	4	-652.445	-177.189
Profit/loss before tax		-19.928.620	-12.622.907
Tax on profit/loss for the year	5	4.382.361	2.775.303
Net profit/loss for the year		-15.546.259	-9.847.604

Distribution of profit

Proposed distribution of profit

Retained earnings	-15.546.259	-9.847.604
	-15.546.259	-9.847.604

Balance Sheet 31 December

Assets

	Note	2017 DKK	2016 DKK
Completed development projects		24.305.475	16.314.457
Intangible assets	6	24.305.475	16.314.457
Other fixtures and fittings, tools and equipment		59.319	29.497
Property, plant and equipment	7	59.319	29.497
Fixed assets		24.364.794	16.343.954
Trade receivables		8.951.972	6.012.323
Contract work in progress		300.000	0
Other receivables		0	7.626
Deferred tax asset	9	2.774.173	788.280
Corporation tax		2.396.468	1.837.980
Receivables		14.422.613	8.646.209
Cash at bank and in hand		537.412	7.960.251
Currents assets		14.960.025	16.606.460
Assets		39.324.819	32.950.414

Balance Sheet 31 December

Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		141.451	137.706
Retained earnings		-5.124.256	7.377.318
Equity	8	-4.982.805	7.515.024
Credit institutions		22.294.133	12.313.786
Long-term debt	10	22.294.133	12.313.786
Mortgage loans		0	522.485
Credit institutions	10	61.429	119.141
Trade payables		7.631.662	5.399.826
Other payables		3.813.486	1.085.134
Deferred income		10.506.914	5.995.018
Short-term debt		22.013.491	13.121.604
Debt		44.307.624	25.435.390
Liabilities and equity		39.324.819	32.950.414
Main activity			
Contingent assets, liabilities and other financial obligations	11		
Accounting Policies	12		

Statement of Changes in Equity

	Share capital <u>DKK</u>	Share premium account <u>DKK</u>	Retained earnings <u>DKK</u>	Total <u>DKK</u>
Equity at 1 January	137.706	0	7.377.318	7.515.024
Cash capital increase	3.745	3.044.685	0	3.048.430
Net profit/loss for the year	0	0	-15.546.259	-15.546.259
Transfer from share premium account	0	-3.044.685	3.044.685	0
Equity at 31 December	<u>141.451</u>	<u>0</u>	<u>-5.124.256</u>	<u>-4.982.805</u>

Notes to the Financial Statements

	2017	2016
	DKK	DKK
1 Staff expenses		
Wages and salaries	18.626.453	9.889.863
Pensions	168.000	168.000
Other social security expenses	111.723	59.347
Other staff expenses	110.980	63.708
	19.017.156	10.180.918
Transfer to production wages	-6.350.239	-4.174.896
	12.666.917	6.006.022
Average number of employees	28	16
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	2.902.022	1.812.718
Depreciation of property, plant and equipment	22.599	3.354
	2.924.621	1.816.072
3 Financial income		
Other financial income	0	494
	0	494
4 Financial expenses		
Other financial expenses	612.125	177.189
Exchange adjustments, expenses	40.320	0
	652.445	177.189

Notes to the Financial Statements

	2017 <u>DKK</u>	2016 <u>DKK</u>
5 Tax on profit/loss for the year		
Current tax for the year	-2.396.468	-1.837.980
Deferred tax for the year	-1.985.893	-921.581
Adjustment of tax concerning previous years	0	-15.742
	<u>-4.382.361</u>	<u>-2.775.303</u>
 6 Intangible assets		Completed development projects <u>DKK</u>
Cost at 1 January		18.127.175
Additions for the year		<u>10.893.040</u>
Cost at 31 December		<u>29.020.215</u>
Impairment losses and amortisation at 1 January		1.812.718
Impairment losses for the year		<u>2.902.022</u>
Impairment losses and amortisation at 31 December		<u>4.714.740</u>
 Carrying amount at 31 December		<u>24.305.475</u>

Development projects relate to improving the Company's existing software products to improve robustness and scalability and add new features that can be marketed towards new and existing customers. The robustness and scalability will support the continued high growth in customers using the software and the added features are generically designed to meet several customers individual needs. The added features including an advanced e-mail signature solution for big enterprise customers will be marketed as of the second quarter of 2017. The development projects are progressing according to plan.

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	32.851
Additions for the year	<u>52.422</u>
Cost at 31 December	<u>85.273</u>
Revaluations at 1 January	<u>0</u>
Revaluations at 31 December	<u>0</u>
Impairment losses and depreciation at 1 January	3.354
Depreciation for the year	<u>22.600</u>
Impairment losses and depreciation at 31 December	<u>25.954</u>
Carrying amount at 31 December	<u>59.319</u>

8 Equity

The share capital is broken down as follow:

	Number	Nominal value DKK
A-shares	80.000	80.000
B-shares	61.451	<u>61.451</u>
		<u>141.451</u>

The share capital has developed as follows:

	2017 DKK	2016 DKK	2015 DKK	2014 DKK	2013 DKK
Share capital at 1 January	137.706	130.948	96.725	80.000	0
Capital increase	3.745	6.758	34.223	16.725	0
Capital decrease	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Share capital at 31 December	<u>141.451</u>	<u>137.706</u>	<u>130.948</u>	<u>96.725</u>	<u>0</u>

Notes to the Financial Statements

	<u>2017</u>	<u>2016</u>
	DKK	DKK
9 Deferred tax asset		
Deferred tax asset at 1 January	788.280	-133.301
Amounts recognised in the income statement for the year	<u>1.985.893</u>	<u>921.581</u>
Deferred tax asset at 31 December	<u>2.774.173</u>	<u>788.280</u>

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

Between 1 and 5 years	<u>22.294.133</u>	<u>12.313.786</u>
Long-term part	22.294.133	12.313.786
Other short-term debt to credit institutions	<u>61.429</u>	<u>119.141</u>
	<u>22.355.562</u>	<u>12.432.927</u>

Notes to the Financial Statements

	<u>2017</u> DKK	<u>2016</u> DKK
11 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
kto. 3345854568	397.435	399.633
The following assets have been placed as security with Vækstfonden:		
Floating charge totaling TDKK 7,000, providing security in unsecured claims, operating equipment, goodwill and patent.	9.011.291	6.041.820

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Templafy ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Revenue

Revenue from sales of software subscriptions are recognised on a straight-line basis over the subscription period starting when delivery and risk transition has taken place.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

12 Accounting Policies (continued)

Balance Sheet

Intangible assets

Development costs and costs relating to rights developed by the Company are amortised over the remaining period; however not exceeding 10 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
--	---------

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,200 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

12 Accounting Policies (continued)

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

12 Accounting Policies (continued)

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.