
Templafy ApS

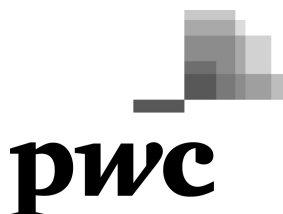
Østergade 36, 3., DK-1100 København K

Annual Report for 1 January - 31 December 2016

CVR No 25 66 29 46

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
10/5 2017

Preben Damgaard
Chairman



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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 2016.

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 2016 of the Company and of the results of the Company operations for 2016.

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

Copenhagen, 10 May 2017

Executive Board

Jesper Theill Eriksen
CEO

Christian Lund
CPO

Henrik Printzlau
CTO

Board of Directors

Preben Damgaard Nielsen
Chairman

Jeppe Schytte-Hansen

Lars Andersen

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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 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 2016, 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.

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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

Independent Auditor's Report

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 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.

Copenhagen, 10 May 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Carsten Blicher

statsautoriseret revisor

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

Executive Board

Jesper Theill Eriksen
Christian Lund
Henrik Printzlau

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
DK-3400 Hillerød

Bankers

Danske Bank

Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
Gross profit/loss		-4.624.118	-3.303.683
Staff expenses	2	-6.006.022	-3.431.509
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-1.816.072	0
Profit/loss before financial income and expenses		-12.446.212	-6.735.192
Financial income	4	494	4.849
Financial expenses		-177.189	-61.184
Profit/loss before tax		-12.622.907	-6.791.527
Tax on profit/loss for the year	5	2.775.303	654.820
Net profit/loss for the year		-9.847.604	-6.136.707

Distribution of profit

Proposed distribution of profit

Retained earnings		-9.847.604	-6.136.707
		-9.847.604	-6.136.707

Balance Sheet 31 December

Assets

	Note	2016 DKK	2015 DKK
Completed development projects		16.314.457	0
Development projects in progress		0	9.772.711
Intangible assets	6	16.314.457	9.772.711
Other fixtures and fittings, tools and equipment		29.497	0
Property, plant and equipment	7	29.497	0
Fixed assets		16.343.954	9.772.711
Trade receivables		6.012.323	1.649.232
Other receivables		7.626	251.116
Deferred tax asset	8	788.280	0
Corporation tax		1.837.980	1.540.970
Receivables		8.646.209	3.441.318
Cash at bank and in hand		7.960.251	9.851.650
Currents assets		16.606.460	13.292.968
Assets		32.950.414	23.065.679

Balance Sheet 31 December

Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		137.706	130.948
Retained earnings		7.377.318	12.230.760
Equity	9	7.515.024	12.361.708
Provision for deferred tax	8	0	133.301
Provisions		0	133.301
Credit institutions		12.313.786	5.778.486
Long-term debt	10	12.313.786	5.778.486
Mortgage loans		522.485	0
Credit institutions	10	119.141	4.073
Trade payables		5.399.826	1.255.375
Other payables		1.085.134	948.250
Deferred income		5.995.018	2.584.486
Short-term debt		13.121.604	4.792.184
Debt		25.435.390	10.570.670
Liabilities and equity		32.950.414	23.065.679
Main activity	1		
Contingent assets, liabilities and other financial obligations	11		

Statement of Changes in Equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	130.948	0	12.230.760	12.361.708
Cash capital increase	6.758	4.994.162	0	5.000.920
Net profit/loss for the year	0	0	-9.847.604	-9.847.604
Transfer from share premium account	0	-4.994.162	4.994.162	0
Equity at 31 December	137.706	0	7.377.318	7.515.024

Notes to the Financial Statements

1 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.

	<u>2016</u> DKK	<u>2015</u> DKK
2 Staff expenses		
Wages and salaries	9.889.863	6.257.050
Pensions	168.000	188.300
Other social security expenses	59.347	63.143
Other staff expenses	<u>63.708</u>	<u>59.499</u>
	10.180.918	6.567.992
Transfer to assets wages	<u>-4.174.896</u>	<u>-3.136.483</u>
	6.006.022	3.431.509
Average number of employees	<u>16</u>	<u>10</u>
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	1.812.718	0
Depreciation of property, plant and equipment	<u>3.354</u>	<u>0</u>
	1.816.072	0
4 Financial income		
Other financial income	<u>494</u>	<u>4.849</u>
	494	4.849

Notes to the Financial Statements

	<u>2016</u> DKK	<u>2015</u> DKK
5 Tax on profit/loss for the year		
Current tax for the year	-1.837.980	-1.556.712
Deferred tax for the year	-921.581	901.892
Adjustment of tax concerning previous years	-15.742	0
	<u>-2.775.303</u>	<u>-654.820</u>
 6 Intangible assets		
		Completed development projects <u>DKK</u>
Cost at 1 January		9.772.711
Additions for the year		<u>8.354.464</u>
Cost at 31 December		<u>18.127.175</u>
Impairment losses and amortisation at 1 January		0
Amortisation for the year		<u>1.812.718</u>
Impairment losses and amortisation at 31 December		<u>1.812.718</u>
 Carrying amount at 31 December		 <u>16.314.457</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	0
Additions for the year	<u>32.851</u>
Cost at 31 December	<u>32.851</u>
Revaluations at 1 January	<u>0</u>
Revaluations at 31 December	<u>0</u>
Impairment losses and depreciation at 1 January	0
Depreciation for the year	<u>3.354</u>
Impairment losses and depreciation at 31 December	<u>3.354</u>
Carrying amount at 31 December	<u>29.497</u>

8 Deferred tax asset

	2016	2015
	DKK	DKK
Deferred tax asset at 1 January	-133.301	768.591
Amounts recognised in the income statement for the year	<u>921.581</u>	<u>-901.892</u>
Deferred tax asset at 31 December	<u>788.280</u>	<u>-133.301</u>

Notes to the Financial Statements

9 Equity

The share capital is broken down as follow:

	<u>Number</u>	<u>Nominal value</u> DKK
A-shares	80.000	80.000
B-shares	57.706	57.706
		<u>137.706</u>

The share capital has developed as follows:

	<u>2016</u> DKK	<u>2015</u> DKK	<u>2014</u> DKK	<u>2013</u> DKK	<u>2012</u> DKK
Share capital at 1 January	130.948	96.725	80.000	0	0
Capital increase	6.758	34.223	16.725	0	0
Capital decrease	0	0	0	0	0
Share capital at 31					
December	<u>137.706</u>	<u>130.948</u>	<u>96.725</u>	<u>0</u>	<u>0</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>12.313.786</u>	<u>5.778.486</u>
Long-term part	12.313.786	5.778.486
Other short-term debt to credit institutions	<u>119.141</u>	<u>4.073</u>
	<u>12.432.927</u>	<u>5.782.559</u>

Notes to the Financial Statements

	<u>2016</u> DKK	<u>2015</u> DKK
11 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
Floating charge totaling TDKK 7,000, providing security in unsecured claims, operating equipment, goodwill and patent.	6.041.820	0

Notes, Accounting Policies

Basis of Preparation

The Annual Report of Templafy ApS for 2016 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.

Financial Statements for 2016 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, Accounting Policies

Income Statement

Gross profit/loss

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

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.

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, Accounting Policies

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
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,900 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, Accounting Policies

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.

Deferred income

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