
Templafy ApS

Wilders Plads 15A, DK-1403 København K

Annual Report for 1 January - 31 December 2021

CVR No 25 66 29 46

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
11/5 2022

Preben Damgaard
Chairman of the General
Meeting



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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 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 10 May 2022

Executive Board

Jesper Theill Eriksen
CEO

Christian Lund
Co-founder

Henrik Printzlau
Co-founder

Board of Directors

Preben Damgaard
Chairman

Jeppe Schytte-Hansen

Lars Andersen

Teddie Benjamin Wardi

Jonathan Eric Rosenbaum

Haakon Øverli

Independent Auditor's Report

To the Shareholders of Templafy ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Templafy ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 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 Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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

Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 11 May 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Carsten Blicher

statsautoriseret revisor

mne16560

Company Information

The Company

Templafy ApS
Wilders Plads 15A
DK-1403 København K

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Website: www.templafy.com

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

Board of Directors

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

Executive Board

Jesper Theill Eriksen
Christian Lund
Henrik Printzlau

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Gross profit/loss	113,717	49,811	31,865	(1,816)	(3,685)
Operating profit/loss	(189,494)	(161,745)	(75,713)	(47,652)	(19,276)
Profit/loss before financial income and expenses	(190,539)	(162,100)	(75,713)	(47,652)	(19,276)
Net financials	(5,346)	(14,272)	(2,792)	(1,282)	(652)
Net profit/loss for the year	(189,828)	(172,295)	(77,045)	(46,154)	(15,546)
Balance sheet					
Balance sheet total	517,674	303,725	228,468	195,757	39,325
Equity	254,969	88,909	89,209	132,881	(4,983)
Cash flows					
Cash flows from:					
- operating activities	(163,857)	(89,280)	(46,973)	(38,095)	(8,926)
- investing activities	(44,756)	(39,170)	(91,218)	(61,380)	(10,945)
including investment in property, plant and equipment	(201)	(2,320)	(3,142)	(950)	(52)
- financing activities	398,429	169,844	71,299	191,010	12,449
Change in cash and cash equivalents for the year	189,816	41,394	(66,892)	91,535	(7,422)
Number of employees	329	237	147	61	28
Ratios					
Return on assets	(36.8)%	(53.4)%	(33.1)%	(24.3)%	(49.0)%
Solvency ratio	49.3 %	29.3 %	39.0 %	67.9 %	(12.7)%
Return on equity	(110.4)%	(193.5)%	(69.4)%	(72.2)%	624.0 %

In connection with changes to accounting policies, the comparative figures back to 2017 have not been restated. See the description under accounting policies.

Management's Review

Key activities

The object of the company is to develop and sell software solutions. Templafy's content enablement platform aligns workforces and enables employees to effortlessly create on-brand, high-performing business content faster. The software is a cloud-based solution that communications and compliance teams can control, IT can trust, and supports employees during every step of document creation.

Development in the year

The income statement of the Group for 2021 shows a loss of DKK 189,827,635, and at 31 December 2021 the balance sheet of the Group shows equity of DKK 254,969,275.

With effect from 1 January 2021 the parent company merged with the subsidiary, Napp ApS.

The past year and follow-up on development expectations from last year

Templafy attained \$37.6m ARR at the end of December 2021, equating to 50% year-over-year growth from December 2020.

Targets and expectations for the year ahead

The main objective for Templafy in 2022 is to continue manifesting our position as market leader within cloud-based content enablement, while focusing on driving more capital-efficient growth. As part of this ambition there is a dedicated focus on attracting top talent and strategic partners, investing in and increasing automation of internal functions and processes, and developing a more efficient commercial sales and marketing organization.

The company's expectations for the future is to grow its top-line in line with previous years.

In 2021, Templafy has completed the development of the new software platform Hive. Migration of customers on the old platform to the new platform is expected to begin in 2021 with no current estimated end date of migration. Management will consider the need for impairment on the old platform as it is phased out and as customers gets migrated to the new platform.

Research and development

The company develops software for sale.

External environment

The company's activities do not directly affect the environment to a significant extent.

Uncertainty relating to recognition and measurement

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

Management's Review

Unusual events

The financial position at 31 December 2021 of the Group and the results of the activities and cash flows of the Group for the financial year for 2021 have not been affected by any unusual events.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Gross profit/loss		113,716,880	49,810,931	8,199,598	(27,525,094)
Staff expenses	1	(278,839,285)	(189,883,869)	(119,764,348)	(101,183,174)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>(25,416,488)</u>	<u>(22,027,399)</u>	<u>(11,786,792)</u>	<u>(7,484,288)</u>
Profit/loss before financial income and expenses		(190,538,893)	(162,100,337)	(123,351,542)	(136,192,556)
Financial income	3	3,385,304	86,128	16,980,788	4,267,938
Financial expenses	4	<u>(8,731,777)</u>	<u>(14,358,228)</u>	<u>(15,746,019)</u>	<u>(16,096,104)</u>
Profit/loss before tax		(195,885,366)	(176,372,437)	(122,116,773)	(148,020,722)
Tax on profit/loss for the year	5	<u>6,057,731</u>	<u>4,077,603</u>	<u>5,501,295</u>	<u>4,077,606</u>
Net profit/loss for the year		<u>(189,827,635)</u>	<u>(172,294,834)</u>	<u>(116,615,478)</u>	<u>(143,943,116)</u>

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Completed development projects		108,540,213	74,776,545	76,929,010	58,250,844
Goodwill		79,026,339	90,037,442	0	0
Intangible assets	6	187,566,552	164,813,987	76,929,010	58,250,844
Other fixtures and fittings, tools and equipment		3,970,291	4,506,929	3,459,045	3,983,273
Property, plant and equipment	7	3,970,291	4,506,929	3,459,045	3,983,273
Investments in subsidiaries	8	0	0	112,482,638	117,482,638
Deposits	9	3,562,929	3,901,100	2,601,473	2,596,625
Fixed asset investments		3,562,929	3,901,100	115,084,111	120,079,263
Fixed assets		195,099,772	173,222,016	195,472,166	182,313,380
Trade receivables		52,466,978	56,936,341	27,803,012	38,622,485
Receivables from group enterprises		0	0	323,992,174	0
Other receivables		4,927,056	320,193	4,577,028	85,854,607
Deferred tax asset	13	556,310	0	0	0
Corporation tax		4,597,967	3,640,518	5,500,000	4,077,609
Prepayments	10	3,635,392	3,031,486	2,477,876	2,439,308
Receivables		66,183,703	63,928,538	364,350,090	130,994,009
Cash at bank and in hand		256,390,962	66,574,502	208,105,017	52,789,165
Currents assets		322,574,665	130,503,040	572,455,107	183,783,174
Assets		517,674,437	303,725,056	767,927,273	366,096,554

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Share capital	11	503,618	411,562	503,618	411,562
Reserve for development costs		108,540,213	58,250,844	76,922,367	58,250,844
Retained earnings		145,925,444	30,246,965	297,286,238	77,070,547
Equity		254,969,275	88,909,371	374,712,223	135,732,953
Credit institutions		76,237,100	47,192,441	76,237,100	47,192,441
Other payables		0	7,558,832	0	7,196,979
Long-term debt	14	76,237,100	54,751,273	76,237,100	54,389,420
Credit institutions	14	27,868,507	18,691,334	27,437,192	18,555,410
Trade payables		26,079,957	18,121,437	20,125,016	21,933,264
Payables to group enterprises		0	0	202,900,128	66,201,010
Other payables	14	36,678,948	40,243,400	14,632,417	16,795,184
Deferred income	15	95,840,650	83,008,241	51,883,197	52,489,313
Short-term debt		186,468,062	160,064,412	316,977,950	175,974,181
Debt		262,705,162	214,815,685	393,215,050	230,363,601
Liabilities and equity		517,674,437	303,725,056	767,927,273	366,096,554
Distribution of profit	12				
Contingent assets, liabilities and other financial obligations	18				
Accounting Policies	19				

Statement of Changes in Equity

Group

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	411,562	0	58,250,844	30,246,965	88,909,371
Exchange adjustments	0	0	0	(4,229,392)	(4,229,392)
Cash capital increase	92,056	366,984,018	0	0	367,076,074
Repurchase warrants	0	0	0	(6,959,143)	(6,959,143)
Development costs for the year	0	0	50,289,369	0	50,289,369
Net profit/loss for the year	0	0	0	(240,117,004)	(240,117,004)
Transfer from share premium account	0	(366,984,018)	0	366,984,018	0
Equity at 31 December	503,618	0	108,540,213	145,925,444	254,969,275

Parent Company

Equity at 1 January	411,562	0	58,250,844	77,070,545	135,732,951
Net effect from merger and acquisition under the uniting of interests method	0	0	0	(4,522,181)	(4,522,181)
Adjusted equity at 1 January	411,562	0	58,250,844	72,548,364	131,210,770
Cash capital increase	92,056	366,984,018	0	0	367,076,074
Repurchase warrants	0	0	0	(6,959,143)	(6,959,143)
Development costs for the year	0	0	18,671,523	0	18,671,523
Net profit/loss for the year	0	0	0	(135,287,001)	(135,287,001)
Transfer from share premium account	0	(366,984,018)	0	366,984,018	0
Equity at 31 December	503,618	0	76,922,367	297,286,238	374,712,223

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2021 DKK	2020 DKK
Net profit/loss for the year		(189,827,635)	(172,294,834)
Adjustments	16	20,472,750	32,218,807
Change in working capital	17	7,412,479	60,438,187
Cash flows from operating activities before financial income and expenses		(161,942,406)	(79,637,840)
Financial income		3,385,304	86,126
Financial expenses		(8,731,777)	(14,358,229)
Cash flows from ordinary activities		(167,288,879)	(93,909,943)
Corporation tax paid(-)/received		3,432,062	4,629,777
Cash flows from operating activities		(163,856,817)	(89,280,166)
Purchase of intangible assets		(44,893,582)	(32,878,340)
Purchase of property, plant and equipment		(200,627)	(2,319,681)
Fixed asset investments made etc.		(4,848)	(3,972,324)
Sale of fixed asset investments etc.		343,019	0
Cash flows from investing activities		(44,756,038)	(39,170,345)
Repayment of loans from credit institutions		0	(2,165,133)
Raising of loans from credit institutions		38,221,832	0
Cash capital increase		367,166,626	180,014,069
Repurchase of warrants etc.		(6,959,143)	(8,004,788)
Cash flows from financing activities		398,429,315	169,844,148
Change in cash and cash equivalents		189,816,460	41,393,637
Cash and cash equivalents at 1 January		66,574,502	25,180,865
Cash and cash equivalents at 31 December		256,390,962	66,574,502
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		256,390,962	66,574,502
Cash and cash equivalents at 31 December		256,390,962	66,574,502

Notes to the Financial Statements

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
1 Staff expenses				
Wages and salaries	255,816,674	166,108,745	115,421,324	94,193,098
Pensions	3,210,883	6,698,571	1,369,081	5,602,516
Other social security expenses	8,001,768	11,191,288	1,008,214	686,486
Other staff expenses	11,809,960	5,885,265	1,965,729	701,074
	278,839,285	189,883,869	119,764,348	101,183,174
Average number of employees	329	237	164	139
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.				
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	24,027,284	21,068,244	10,667,323	6,998,022
Depreciation of property, plant and equipment	1,389,204	959,155	1,119,469	486,266
	25,416,488	22,027,399	11,786,792	7,484,288
3 Financial income				
Interest received from group enterprises	0	0	13,633,005	0
Other financial income	1,890	640	0	4,179,728
Exchange adjustments	440,523	85,488	404,892	88,210
Exchange gains	2,942,891	0	2,942,891	0
	3,385,304	86,128	16,980,788	4,267,938

Notes to the Financial Statements

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
4 Financial expenses				
Interest paid to group enterprises	0	0	7,455,683	0
Other financial expenses	8,621,833	7,176,170	8,268,502	9,046,848
Exchange adjustments, expenses	240,088	4,375,177	0	4,328,861
Exchange loss	(130,144)	2,806,881	21,834	2,720,395
	8,731,777	14,358,228	15,746,019	16,096,104
5 Tax on profit/loss for the year				
Current tax for the year	(5,501,421)	(4,077,603)	(5,501,295)	(4,077,606)
Deferred tax for the year	(556,310)	0	0	0
	(6,057,731)	(4,077,603)	(5,501,295)	(4,077,606)
6 Intangible assets				
Group			Completed development projects DKK	Goodwill DKK
Cost at 1 January			99,173,423	111,085,943
Additions for the year			44,893,582	0
Cost at 31 December			144,067,005	111,085,943
Impairment losses and amortisation at 1 January			24,396,877	21,048,501
Amortisation for the year			11,129,915	11,011,103
Impairment losses and amortisation at 31 December			35,526,792	32,059,604
Carrying amount at 31 December			108,540,213	79,026,339

Notes to the Financial Statements

6 Intangible assets (continued)

Group	Completed development projects <u>DKK</u>	Goodwill <u>DKK</u>
Interest expenses recognised as part of cost	<u>308,616</u>	<u>265,618</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 enterprise customers, integrations to establish a strong document ecosystem as well as increased security have been marketed since conception. The development projects are progressing according to plan.

Parent Company	Completed development projects <u>DKK</u>
Cost at 1 January	79,247,546
Net effect from merger and acquisition	14,925,415
Additions for the year	<u>27,653,504</u>
Cost at 31 December	<u>121,826,465</u>
Impairment losses and amortisation at 1 January	20,996,701
Net effect from merger and acquisition	13,233,431
Amortisation for the year	<u>10,667,323</u>
Impairment losses and amortisation at 31 December	<u>44,897,455</u>
Carrying amount at 31 December	<u>76,929,010</u>

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	6,888,537
Additions for the year	<u>200,627</u>
Cost at 31 December	<u>7,089,164</u>
Impairment losses and depreciation at 1 January	2,631,152
Depreciation for the year	<u>487,721</u>
Impairment losses and depreciation at 31 December	<u>3,118,873</u>
Carrying amount at 31 December	<u>3,970,291</u>

Parent Company

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	5,465,394
Net effect from merger and acquisition	<u>123,175</u>
Cost at 31 December	<u>5,588,569</u>
Impairment losses and depreciation at 1 January	1,791,896
Net effect from merger and acquisition	118,677
Depreciation for the year	<u>218,951</u>
Impairment losses and depreciation at 31 December	<u>2,129,524</u>
Carrying amount at 31 December	<u>3,459,045</u>

Notes to the Financial Statements

	Parent Company	
	2021	2020
	DKK	DKK
8 Investments in subsidiaries		
Cost at 1 January	117,482,638	117,482,638
Net effect from merger and acquisition	(5,000,000)	0
Carrying amount at 31 December	112,482,638	117,482,638

9 Other fixed asset investments

	Group	Parent Company
	Deposits	Deposits
	DKK	DKK
Cost at 1 January	3,901,100	2,596,625
Additions for the year	4,848	4,848
Disposals for the year	(343,019)	0
Cost at 31 December	3,562,929	2,601,473
Carrying amount at 31 December	3,562,929	2,601,473

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions etc.

Notes to the Financial Statements

11 Share capital

The share capital is broken down as follow:

	Number	Nominal value DKK
A-shares	90,804	90,804
B-shares	43,107	43,107
C-shares	218,719	218,719
D-shares	60,434	60,434
E-shares	90,554	90,554
		503,618

The share capital has developed as follows:

	2021 DKK	2020 DKK	2019 DKK	2018 DKK	2017 DKK
Share capital at 1 January	411,562	348,258	328,121	141,451	137,706
Capital increase	92,056	63,304	20,137	186,670	3,745
Capital decrease	0	0	0	0	0
Share capital at 31 December	503,618	411,562	348,258	328,121	141,451

12 Distribution of profit

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
Transfer for the year to other reserves	50,289,369	11,536,562	18,671,523	11,536,562
Retained earnings	-240,117,004	-183,831,396	-135,287,001	-155,479,678
	-189,827,635	-172,294,834	-116,615,478	-143,943,116

Notes to the Financial Statements

	Group		Parent Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	DKK	DKK	DKK	DKK
13 Deferred tax asset				
Deferred tax asset at 1 January	0	0	0	0
Amounts recognised in the income statement for the year	<u>556,310</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred tax asset at 31 December	<u>556,310</u>	<u>0</u>	<u>0</u>	<u>0</u>

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to four years.

Notes to the Financial Statements

14 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:

	Group		Parent Company	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
Credit institutions				
After 5 years	6,577,171	3,644,449	6,577,171	3,644,449
Between 1 and 5 years	69,659,929	43,547,992	69,659,929	43,547,992
Long-term part	<u>76,237,100</u>	<u>47,192,441</u>	<u>76,237,100</u>	<u>47,192,441</u>
Within 1 year	27,429,540	18,552,875	27,429,540	18,552,875
Other short-term debt to credit institutions	438,967	138,459	7,652	2,535
Short-term part	<u>27,868,507</u>	<u>18,691,334</u>	<u>27,437,192</u>	<u>18,555,410</u>
	<u>104,105,607</u>	<u>65,883,775</u>	<u>103,674,292</u>	<u>65,747,851</u>
Other payables				
Between 1 and 5 years	0	7,558,832	0	7,196,979
Long-term part	0	7,558,832	0	7,196,979
Other short-term payables	36,678,948	40,243,400	14,632,417	16,795,184
	<u>36,678,948</u>	<u>47,802,232</u>	<u>14,632,417</u>	<u>23,992,163</u>

15 Deferred income

Deferred income consists of prepaid subscriptions on software.

Notes to the Financial Statements

	Group	
	2021	2020
	DKK	DKK
16 Cash flow statement - adjustments		
Financial income	(3,385,304)	(86,128)
Financial expenses	8,731,777	14,358,228
Depreciation, amortisation and impairment losses, including losses and gains on sales	25,416,488	22,027,400
Tax on profit/loss for the year	(6,057,731)	(4,077,603)
Other adjustments	(4,232,480)	(3,090)
	<u>20,472,750</u>	<u>32,218,807</u>
17 Cash flow statement - change in working capital		
Change in receivables	(2,255,165)	(22,047,502)
Change in trade payables, etc	9,667,644	82,485,689
	<u>7,412,479</u>	<u>60,438,187</u>

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
18 Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with bankers:				
Floating charge totaling TDKK 20,000, providing security in unsecured claims, goodwill and patent.	111,406,379	127,504,496	32,380,040	37,467,054
The following assets have been placed as security with Vækstfonden:				
Floating charge totaling TDKK 127,312 (2020: TDKK 66,000), providing security in unsecured claims, operating equipment, goodwill and patent.	120,191,611	131,202,714	35,839,085	41,165,272

Notes to the Financial Statements

19 Accounting Policies

The Annual Report of Templafy ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 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, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Templafy ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

The time of acquisition is the time when the Group obtains control of the entity acquired.

Notes to the Financial Statements

19 Accounting Policies (continued)

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Translation policies

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Notes to the Financial Statements

19 Accounting Policies (continued)

arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an out-flow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

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.

Cost of sales

Cost of sales are costs consumed to achieve revenue for the year.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Notes to the Financial Statements

19 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses consist of interest received from and paid to banks, other credit institutions, debtors and creditors.

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.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Development costs for clearly defined and completed development projects are capitalized and amortized over the expected life, which is typically assessed at 10 years. Other development costs and costs for internally accrued rights are recognized in the income statement as costs in the year of acquisition.

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.

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:

Notes to the Financial Statements

19 Accounting Policies (continued)

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14,400 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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions etc.

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 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

Notes to the Financial Statements

19 Accounting Policies (continued)

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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other 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.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible as-

Notes to the Financial Statements

19 Accounting Policies (continued)

sets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$