Templafy ApS

Wilders Plads 15A, DK-1403 København K

Annual Report for 1 January - 31 December 2022

CVR No 25 66 29 46

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 10/5 2023

Lars Andersen
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 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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 2023

Executive Board

Jesper Theill Eriksen CEO	Christian Lund Co-founder	Henrik Printzlau Co-founder

Board of Directors

Lars Andersen Chairman	Jeppe Schytte-Hansen	Peter Granild Colsted
Teddie Benjamin Wardi	Jonathan Eric Rosenbaum	Mina Ivanova Mutafchieva van Ingelgem

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 2022 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 2022 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 2022, 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 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, 10 May 2023
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 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: Copenhagen
Board of Directors	Lars Andersen, Chairman Jeppe Schytte-Hansen Peter Granild Colsted Teddie Benjamin Wardi Jonathan Eric Rosenbaum Mina Ivanova Mutafchieva van Ingelgem
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				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	273,220	177,200	0	0	0
Gross profit/loss	166,011	117,199	49,811	31,865	(1,816)
Operating profit/loss	(269,482)	(190,538)	(161,745)	(75,713)	(47,652)
Profit/loss before financial income and expenses	(269,482)	(190,538)	(162,100)	(75,713)	(47,652)
Net financials	(20,376)	(5,346)	(14,272)	(2,792)	(1,282)
Net profit/loss for the year	(283,565)	(189,828)	(172,295)	(77,045)	(46,154)
Balance sheet					
Balance sheet total	530,650	517,539	303,725	228,468	195,757
Equity	(26,395)	254,969	88,909	89,209	132,881
Cash flows					
Cash flows from:					
- operating activities	(122,536)	(163,857)	(89,280)	(46,973)	(38,095)
- investing activities	(129,658)	(44,756)	(39,170)	(91,218)	(61,380)
including investment in property, plant and equipment	(90,597)	(201)	(2,320)	(3,142)	(950)
- financing activities	233,641	398,429	169,844	71,299	191,010
Change in cash and cash equivalents for the year	(18,553)	189,816	41,394	(66,892)	91,535
Number of employees	356	329	237	147	61
Ratios					
Gross margin	60.8 %	66.1 %	0.0 %	0.0 %	0.0 %
Profit margin	(98.6)%	(107.5)%	0.0 %	0.0 %	0.0 %
Return on assets	(50.8)%	(36.8)%	(53.4)%	(33.1)%	(24.3)%
Solvency ratio	(5.0)%	49.3 %	29.3 %	39.0 %	67.9 %
Return on equity	(248.1)%	(110.4)%	(193.5)%	(69.4)%	(72.2)%

In connection with changes to accounting policies, the comparative figures for 2018 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 2022 shows a loss of DKK 283,564,656, and at 31 December 2022 the balance sheet of the Group shows negative equity of DKK 26,394,993.

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

Templafy attained $48.1m ARR at the end of December 2022, equating to 28 % year-over-year growth from December 2021.

Targets and expectations for the year ahead

The main objective for Templafy in 2023 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 while executing against its plan to attain profitability in 2024.

Templafy completed the development of the new software platform Hive in 2021. Migration of customers on the old platform to the new platform continued in 2022 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.

Management's Review

Policy for data ethics

The company handles general data in the form of customer data and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies.

We are also in process of developing a Data Ethics Policy and plan to adopt in the second half of 2023.

Statement of corporate social responsibility

We define Corporate Social Responsibility as a constant promise to operate with great regard to the quality of life of our employees, the local communities where we operate and society at large. We are committed to do business in an ethical manner which yields long-term, sustainable benefits for all our stakeholders. We recognise how global, social and environmental factors are driving the need to re-examine the way that business is done. Templafy continues to transform the way it incorporates sustainability into how we do business and we are committed to advancing further in this area.

Templafy is an international company with a vision of making the business world a better performing place for everyone. We believe that when people feel they belong, feel they have a voice and feel heard, they will be happier and perform better, and that means everyone wins.

Currently, we operate five offices around the world. We're always on the lookout for bright new minds to help us on our journey. Our teams will welcome you warmly, challenge you professionally, and support you in doing your best work.

Templafy employees participate in multiple Employee Resource Groups (ERG) including Templapride, Women in Templfy (WIT) and Hivemind. The ERGs serve as a forum to share, celebrate and build upon our diversity.

Statement on gender composition

Templafy is working to achieve a more equal gender distribution in the company's Board of Directors. For the present the board consists of 1 woman and 5 men.

Templafy works to achieve a more equal gender distribution at Templafy's other management levels and in the company in general. In the long run, it is Templafy's goal that the management should be composed in such a way that it reflects the society's distribution of women and men while at the same time being able to effectively carry out its duties as management. In 2022 the management team consisted of 9 people, 3 of whom were women.

In 2022, the company continued to adapt its job advertisements to motivate an applicant pool, whose composition more closely reflects the societal distribution of gender.

Management's Review

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 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 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 2022	Group 2021	Parent Company 2022	Parent Company 2021
		DKK	DKK	DKK	DKK
Revenue	1	**273,219,787**	**177,200,140**	**140,659,643**	**99,452,786**
Work on own account recognised in assets		29,498,782	27,653,504	29,498,782	27,653,504
Expenses for raw materials and consumables		(2,494,090)	(790,940)	(2,494,090)	(790,940)
Other external expenses		(134,213,828)	(86,863,516)	(206,295,714)	(118,115,752)
Gross profit/loss		**166,010,651**	**117,199,188**	**(38,631,379)**	**8,199,598**
Staff expenses	2	(336,559,497)	(279,883,080)	(128,219,391)	(119,763,052)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	(98,932,850)	(27,853,705)	(15,601,775)	(11,786,792)
Profit/loss before financial income and expenses		**(269,481,696)**	**(190,537,597)**	**(182,452,545)**	**(123,350,246)**
Financial income	4	7,137,866	3,385,304	49,850,616	16,980,788
Financial expenses	5	(27,513,844)	(8,731,777)	(44,183,998)	(15,746,019)
Profit/loss before tax		**(289,857,674)**	**(195,884,070)**	**(176,785,927)**	**(122,115,477)**
Tax on profit/loss for the year	6	6,293,018	6,056,435	5,499,999	5,499,999
Net profit/loss for the year		**(283,564,656)**	**(189,827,635)**	**(171,285,928)**	**(116,615,478)**

Balance Sheet 31 December

Assets

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		DKK	DKK	DKK	DKK
Completed development projects		110,213,954	108,540,213	94,760,303	76,929,010
Goodwill		27,847,892	79,026,339	0	0
Intangible assets	7	**138,061,846**	**187,566,552**	**94,760,303**	**76,929,010**
Land and buildings		70,582,356	0	15,324,282	0
Other fixtures and fittings, tools and equipment		3,261,317	3,970,291	2,506,386	3,459,045
Property, plant and equipment	8	**73,843,673**	**3,970,291**	**17,830,668**	**3,459,045**
Investments in subsidiaries	9	0	0	112,482,638	112,482,638
Deposits	10	3,574,129	3,562,929	2,688,695	2,601,473
Fixed asset investments		**3,574,129**	**3,562,929**	**115,171,333**	**115,084,111**
Fixed assets		**215,479,648**	**195,099,772**	**227,762,304**	**195,472,166**
Inventories		**146,967**	**0**	**146,967**	**0**
Trade receivables		54,149,073	52,466,978	29,699,010	27,803,012
Receivables from group enterprises		0	0	524,531,277	323,992,174
Other receivables		8,442,649	4,927,056	6,937,362	4,577,028
Deferred tax asset	14	1,345,600	556,310	0	0
Corporation tax		5,483,830	4,597,967	5,500,000	5,500,000
Prepayments	11	7,899,775	3,635,392	6,820,570	2,477,876
Receivables		**77,320,927**	**66,183,703**	**573,488,219**	**364,350,090**
Cash at bank and in hand		**237,702,884**	**256,255,744**	**185,472,890**	**208,105,017**
Currents assets		**315,170,778**	**322,439,447**	**759,108,076**	**572,455,107**
Assets		**530,650,426**	**517,539,219**	**986,870,380**	**767,927,273**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
		DKK	DKK	DKK	DKK
Share capital	12	503,668	503,618	503,668	503,618
Share premium account		15,700	0	15,700	0
Reserve for development costs		110,213,954	108,540,213	94,760,304	76,922,367
Retained earnings		(137,128,315)	145,925,444	108,162,373	297,286,238
Equity		**(26,394,993)**	**254,969,275**	**203,442,045**	**374,712,223**
Credit institutions		263,130,675	76,237,100	263,130,675	76,237,100
Lease obligations		63,195,939	0	11,015,924	0
Long-term debt	15	**326,326,614**	**76,237,100**	**274,146,599**	**76,237,100**
Credit institutions	15	0	27,437,192	0	27,437,192
Lease obligations	15	10,973,054	0	4,496,597	0
Trade payables		30,107,991	26,364,094	23,620,545	20,125,016
Payables to group enterprises		0	0	374,989,297	202,900,128
Deposits		633,564	617,629	633,564	617,629
Other payables		51,507,845	36,690,908	29,436,334	14,632,417
Deferred income	16	137,496,351	95,223,021	76,105,399	51,265,568
Short-term debt		**230,718,805**	**186,332,844**	**509,281,736**	**316,977,950**
Debt		**557,045,419**	**262,569,944**	**783,428,335**	**393,215,050**
Liabilities and equity		**530,650,426**	**517,539,219**	**986,870,380**	**767,927,273**

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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	503,618	0	108,540,215	145,925,444	254,969,277
Exchange adjustments	0	0	0	2,184,636	2,184,636
Cash capital increase	50	15,700	0	0	15,750
Development costs for the year	0	0	1,673,739	0	1,673,739
Net profit/loss for the year	0	0	0	(285,238,395)	(285,238,395)
Equity at 31 December	**503,668**	**15,700**	**110,213,954**	**(137,128,315)**	**(26,394,993)**

Parent Company

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
Equity at 1 January	503,618	0	76,922,367	297,286,238	374,712,223
Cash capital increase	50	15,700	0	0	15,750
Development costs for the year	0	0	17,837,937	0	17,837,937
Net profit/loss for the year	0	0	0	(189,123,865)	(189,123,865)
Equity at 31 December	**503,668**	**15,700**	**94,760,304**	**108,162,373**	**203,442,045**

Cash Flow Statement 1 January - 31 December

	Note	Group 2022	Group 2021
		DKK	DKK
Net profit/loss for the year		(283,564,656)	(189,827,635)
Adjustments	17	125,455,541	20,474,046
Change in working capital	18	51,331,615	7,412,479
Cash flows from operating activities before financial income and expenses		**(106,777,500)**	**(161,941,110)**
Financial income		7,137,866	3,385,303
Financial expenses		(27,513,844)	(8,731,777)
Cash flows from ordinary activities		**(127,153,478)**	**(167,287,584)**
Corporation tax paid(-)/received		4,617,865	3,430,767
Cash flows from operating activities		**(122,535,613)**	**(163,856,817)**
Purchase of intangible assets		(39,048,870)	(44,893,582)
Purchase of property, plant and equipment		(90,597,420)	(200,627)
Fixed asset investments made etc.		(12,084)	(4,848)
Sale of fixed asset investments etc		0	343,019
Cash flows from investing activities		**(129,658,374)**	**(44,756,038)**
Repayment of loans from credit institutions		(118,447,616)	0
Reduction of lease obligations		(15,664,535)	0
Raising of loans from credit institutions		277,904,000	38,221,832
Lease obligations incurred		89,833,528	0
Cash capital increase		15,750	367,166,626
Repurchase of warrants etc.		0	(6,959,143)
Cash flows from financing activities		**233,641,127**	**398,429,315**
Change in cash and cash equivalents		**(18,552,860)**	**189,816,460**
Cash and cash equivalents at 1 January		256,255,744	66,439,284
Cash and cash equivalents at 31 December		**237,702,884**	**256,255,744**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		237,702,884	256,255,744
Cash and cash equivalents at 31 December		**237,702,884**	**256,255,744**

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

1 Total revenue

The Company's sale on various markets does not differ significantly from each other with regard to the organization of the sale of products and services

Geographical segments

	2022	2021	2022	2021
Total revenue	273,219,787	177,200,140	140,659,643	99,452,786
	273,219,787	**177,200,140**	**140,659,643**	**99,452,786**

Business segments

	2022	2021	2022	2021
Recurring revenue	268,286,911	176,816,155	139,252,968	99,417,978
Non-recurring revenue	4,932,876	383,985	1,406,675	34,808
	273,219,787	**177,200,140**	**140,659,643**	**99,452,786**

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
2 Staff expenses				
Wages and salaries	299,052,967	256,134,492	122,899,344	115,421,324
Pensions	3,082,014	3,210,883	956,076	1,369,081
Other social security expenses	13,809,688	7,683,950	1,341,292	1,008,214
Other staff expenses	20,614,828	12,853,755	3,022,679	1,964,433
	336,559,497	**279,883,080**	**128,219,391**	**119,763,052**
Including remuneration to the Executive Board of:				
Executive Board	4,628,498	4,199,998	3,278,498	2,849,998
	4,628,498	**4,199,998**	**3,278,498**	**2,849,998**
Average number of employees	**356**	**329**	**164**	**164**

Share options plan

Templafy has a share option plan for all employees. Each share option granted is a call option to buy an authorized A share. The share options are granted at an exercise price equal to current market value at time of grant. Under the equity incentive compensation plan, employees may exercise their vested options during their employment and for a period after employment based on the grant terms. Special conditions apply regarding illness, death, and resignation as well as changes in the company's capital structure, etc. The share options can only be settled in shares. The range of exercise prices for the outstanding stock options as per 31 December 2022 is DKK 315 to DKK 4,048.45.

Incentive programmes are not recognised in the Financial Statements.

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Amortisation of intangible assets	26,491,790	24,027,284	11,667,488	10,667,323
Depreciation of property, plant and equipment	18,360,311	3,826,421	3,934,287	1,119,469
Impairment of intangible assets	54,080,749	0	0	0
	98,932,850	**27,853,705**	**15,601,775**	**11,786,792**

4 Financial income

Interest received from group enterprises	0	0	42,639,793	13,633,005
Other financial income	11,514	1,890	6,567	0
Exchange adjustments	(352,991)	440,523	(275,087)	404,892
Exchange gains	7,479,343	2,942,891	7,479,343	2,942,891
	7,137,866	**3,385,304**	**49,850,616**	**16,980,788**

5 Financial expenses

Interest paid to group enterprises	0	0	24,050,894	7,455,683
Other financial expenses	27,768,021	8,621,833	20,099,822	8,268,502
Exchange adjustments, expenses	(343,334)	240,088	0	0
Exchange loss	89,157	(130,144)	33,282	21,834
	27,513,844	**8,731,777**	**44,183,998**	**15,746,019**

6 Tax on profit/loss for the year

Current tax for the year	(5,503,732)	(5,500,125)	(5,499,999)	(5,499,999)
Deferred tax for the year	(789,286)	(556,310)	0	0
	(6,293,018)	**(6,056,435)**	**(5,499,999)**	**(5,499,999)**

Notes to the Financial Statements

7 Intangible assets

Group

	Completed development projects	Goodwill
	DKK	DKK
Cost at 1 January	144,146,849	111,085,943
Exchange adjustment	0	(97,492)
Additions for the year	39,048,870	0
Disposals for the year	(12,818,599)	0
Cost at 31 December	170,377,120	110,988,451
Impairment losses and amortisation at 1 January	54,354,492	32,059,604
Impairment losses for the year	0	39,972,361
Amortisation for the year	15,374,576	11,108,594
Reversal of amortisation of disposals for the year	(9,565,902)	0
Impairment losses and amortisation at 31 December	60,163,166	83,140,559
Carrying amount at 31 December	**110,213,954**	**27,847,892**
Interest expenses recognised as part of cost	308,616	265,618

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
	DKK
Cost at 1 January	121,906,166
Additions for the year	29,498,782
Cost at 31 December	151,404,948

Notes to the Financial Statements

7 Intangible assets (continued)

Parent Company

Parent Company

	Færdiggjorte ud-viklingsprojekter
	DKK
Impairment losses and amortisation at 1 January	44,983,800
Amortisation for the year	11,660,845
Impairment losses and amortisation at 31 December	56,644,645
Carrying amount at 31 December	**94,760,303**

8 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	0	7,115,475
Exchange adjustment	0	89,973
Additions for the year	89,477,908	1,119,512
Disposals for the year	0	(369,330)
Transfers for the year	0	(157,549)
Cost at 31 December	89,477,908	7,798,081
Impairment losses and depreciation at 1 January	0	2,903,078
Depreciation for the year	18,895,552	2,003,016
Impairment and depreciation of sold assets for the year	0	(369,330)
Impairment losses and depreciation at 31 December	18,895,552	4,536,764
Carrying amount at 31 December	**70,582,356**	**3,261,317**

Notes to the Financial Statements

8 Property, plant and equipment (continued)

Parent Company

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	0	5,618,069
Additions for the year	17,807,689	626,270
Disposals for the year	0	(369,330)
Transfers for the year	0	(157,549)
Cost at 31 December	17,807,689	5,717,460
Impairment losses and depreciation at 1 January	0	1,915,071
Depreciation for the year	2,483,407	1,665,333
Impairment and depreciation of sold assets for the year	0	(369,330)
Impairment losses and depreciation at 31 December	2,483,407	3,211,074
Carrying amount at 31 December	**15,324,282**	**2,506,386**
Including assets under finance leases amounting to	15,324,282	0

Notes to the Financial Statements

9 Investments in subsidiaries

	Parent Company	
	2022	2021
	DKK	DKK
Cost at 1 January	112,482,638	117,482,638
Net effect from merger and acquisition	0	(5,000,000)
Carrying amount at 31 December	**112,482,638**	**112,482,638**

10 Other fixed asset investments

	Group	Parent Company
	Deposits	Deposits
	DKK	DKK
Cost at 1 January	3,562,045	2,601,473
Additions for the year	87,222	87,222
Disposals for the year	(75,138)	0
Cost at 31 December	3,574,129	2,688,695
Carrying amount at 31 December	**3,574,129**	**2,688,695**

11 Prepayments

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

Notes to the Financial Statements

12 Share capital

The share capital is broken down as follow:

	Number	Nominal value
		DKK
A-shares	90,854	90,854
B-shares	43,107	43,107
C-shares	218,719	218,719
D-shares	60,434	60,434
E-shares	90,554	90,554
		503,668

The share capital has developed as follows:

	2022	2021	2020	2019	2018
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	503,618	411,562	348,258	328,121	141,451
Capital increase	50	92,056	63,304	20,137	186,670
Capital decrease	0	0	0	0	0
Share capital at 31 December	**503,668**	**503,618**	**411,562**	**348,258**	**328,121**

13 Distribution of profit

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Transfer for the year to other reserves	1,673,739	50,289,369	17,837,937	18,671,523
Retained earnings	-285,238,395	-240,117,004	-189,123,865	-135,287,001
	-283,564,656	**-189,827,635**	**-171,285,928**	**-116,615,478**

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
14 Deferred tax asset				
Deferred tax asset at 1 January	556,310	0	0	0
Amounts recognised in the income statement for the year	789,290	556,310	0	0
Deferred tax asset at 31 December	**1,345,600**	**556,310**	**0**	**0**

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

15 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	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
Credit institutions				
After 5 years	259,244,391	6,577,171	259,244,391	6,577,171
Between 1 and 5 years	3,886,284	69,659,929	3,886,284	69,659,929
Long-term part	263,130,675	76,237,100	263,130,675	76,237,100
Within 1 year	0	27,429,540	0	27,429,540
Other short-term debt to credit institutions	0	7,652	0	7,652
Short-term part	0	27,437,192	0	27,437,192
	263,130,675	**103,674,292**	**263,130,675**	**103,674,292**
Lease obligations				
Between 1 and 5 years	63,195,939	0	11,015,924	0
Long-term part	63,195,939	0	11,015,924	0
Within 1 year	10,973,054	0	4,496,597	0
	74,168,993	**0**	**15,512,521**	**0**

16 Deferred income

Deferred income consits of prepaid subscriptions on software.

Notes to the Financial Statements

	Group 2022	Group 2021
	DKK	DKK

17 Cash flow statement - adjustments

	2022 DKK	2021 DKK
Financial income	(7,137,866)	(3,385,304)
Financial expenses	27,513,844	8,731,777
Depreciation, amortisation and impairment losses, including losses and gains on sales	98,932,850	25,416,488
Tax on profit/loss for the year	(6,293,018)	(6,056,435)
Other adjustments	12,439,731	(4,232,480)
	125,455,541	**20,474,046**

18 Cash flow statement - change in working capital

	2022 DKK	2021 DKK
Change in inventories	(146,967)	0
Change in receivables	(9,462,071)	(2,255,165)
Change in trade payables, etc	60,940,653	9,667,644
	51,331,615	**7,412,479**

Notes to the Financial Statements

		Group		Parent Company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
19	**Contingent assets, liabilities and other financial obligations**				
	Charges and security				
	The following assets have been placed as security with credit institutions: Floating charge totaling TDKK 245,490 (2021: TDKK 127,312), providing security in unsecured claims, operating equipment, goodwill, patents and other intangible assets.	207,489,012	120,191,611	136,591,756	35,839,085
20	**Fee to auditors appointed at the general meeting**				
	PricewaterhouseCoopers				
	Audit fee	230,000	195,000	230,000	195,000
	Tax advisory services	345,000	220,000	345,000	220,000
	Other services	45,000	47,000	45,000	47,000
		620,000	**462,000**	**620,000**	**462,000**
	Other firms				
	Audit fee	178,000	0	0	0
		178,000	**0**	**0**	**0**
		798,000	**462,000**	**620,000**	**462,000**

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Templafy ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

Business combinations

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

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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 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.

Revenue

Information on business segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow 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.

21 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

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.

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.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

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:

Other buildings	4-7 years
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.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

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.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

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 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.

Notes to the Financial Statements

21 Accounting Policies (continued)

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 assets, 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.

Notes to the Financial Statements

21 Accounting Policies (continued)

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

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