Templafy ApS

Wilders Plads 15A, DK-1403 København K

Annual Report for 1 January - 31 December 2020

CVR No 25 66 29 46

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21/05 2021

Preben Damgaard
Chairman of the General Meeting

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Contents

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 2020.

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 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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, 21 May 2021

Executive Board

Jesper Theill Eriksen CEO	Christian Lund CPO	Henrik Printzlau CTO

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
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Templafy ApS for the financial year 1 January - 31 December 2020, 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 Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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 2020 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 2020 in accordance with the Danish Financial Statements Act.

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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group 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 Consolidated Financial Statements and Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements

Independent Auditor's Report

and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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.

Statement on Management’s Review
Management is responsible for Management’s Review.

Our opinion on the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company 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.

Copenhagen, 21 May 2021
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	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 Milnersvej 43 DK-3400 Hillerød

Financial Highlights

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

	Group			
	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Operating profit/loss	(161,745)	(75,713)	(47,652)	(19,276)
Profit/loss before financial income and expenses	(162,100)	(75,713)	(47,652)	(19,276)
Net financials	(14,272)	(2,792)	(1,282)	(652)
Net profit/loss for the year	(172,295)	(77,045)	(46,154)	(15,546)
Balance sheet				
Balance sheet total	303,725	228,468	195,757	39,325
Equity	88,909	89,209	132,881	(4,983)
Cash flows				
Cash flows from:				
- operating activities	(86,851)	(46,973)	(38,095)	(8,926)
- investing activities	(35,216)	(91,218)	(61,380)	(10,945)
including investment in property, plant and equipment	(1,888)	(3,142)	(950)	(52)
- financing activities	169,844	71,299	191,010	12,449
Change in cash and cash equivalents for the year	47,777	(66,892)	91,535	(7,422)
Number of employees	237	147	61	28
Ratios				
Return on assets	(53.4)%	(33.1)%	(24.3)%	(49.0)%
Solvency ratio	29.3 %	39.0 %	67.9 %	(12.7)%
Return on equity	(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 is the smart way to manage, dynamically update, and share business document templates and brand assets throughout organizations. 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 2020 shows a loss of DKK 172,294,834, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 88,909,371.

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

As the result of Covid-19 impacts on the economy and our target customer base, Templafy adjusted its forecast moderately downward for ARR in May 2020 from $32.9m to $27.3m. The result for 2020 is in line with our Covid-19 adjusted expectations from last year.

Targets and expectations for the year ahead

The main objective for Templafy in 2021 is to manifest our position as market leader within cloud-based content enablement and continue to significantly grow our international customer base and user adoption. As part of this ambition there is a dedicated focus on attracting top talent and strategic partners.

The company's expectations for the future is to grow its top-line in line with previous years. Management assesses only limited impact from Covid-19 in 2021 considering the relative low negative impact realized during 2020.

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.

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 2020 of the Group and the results of the activities and cash flows of the Group for the financial year for 2020 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 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
Gross profit/loss		**49,810,931**	**31,864,876**	**(27,525,094)**	**(10,210,552)**
Staff expenses	1	(189,883,869)	(93,986,187)	(101,183,174)	(48,712,956)
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	(22,027,399)	(13,591,724)	(7,484,288)	(5,387,240)
Profit/loss before financial income and expenses		**(162,100,337)**	**(75,713,035)**	**(136,192,556)**	**(64,310,748)**
Financial income		86,128	1,790	4,267,938	0
Financial expenses		(14,358,228)	(2,794,254)	(16,096,104)	(2,787,595)
Profit/loss before tax		**(176,372,437)**	**(78,505,499)**	**(148,020,722)**	**(67,098,343)**
Tax on profit/loss for the year	3	4,077,603	1,460,693	4,077,606	1,418,518
Net profit/loss for the year		**(172,294,834)**	**(77,044,806)**	**(143,943,116)**	**(65,679,825)**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2020	2019	2020	2019
		DKK	DKK	DKK	DKK
Completed development projects		74,776,545	53,194,401	58,250,844	46,714,282
Goodwill		90,037,442	98,332,196	0	0
Intangible assets	4	**164,813,987**	**151,526,597**	**58,250,844**	**46,714,282**
Other fixtures and fittings, tools and equipment		4,196,035	3,217,769	3,698,218	2,628,645
Leasehold improvements		310,894	331,954	285,055	306,844
Property, plant and equipment	5	**4,506,929**	**3,549,723**	**3,983,273**	**2,935,489**
Investments in subsidiaries	6	0	0	117,482,638	112,482,638
Deposits	7	3,901,100	2,777,509	2,596,625	2,555,775
Fixed asset investments		**3,901,100**	**2,777,509**	**120,079,263**	**115,038,413**
Fixed assets		**173,222,016**	**157,853,829**	**182,313,380**	**164,688,184**
Trade receivables		56,936,341	40,103,956	38,622,485	26,137,738
Receivables from group enterprises		0	0	0	19,721,349
Other receivables		320,193	940,442	85,340,132	806,326
Corporation tax		3,640,518	4,192,692	4,077,609	4,192,692
Prepayments	8	3,031,486	196,250	2,439,308	183,985
Receivables		**63,928,538**	**45,433,340**	**130,479,534**	**51,042,090**
Cash at bank and in hand		**66,574,502**	**25,180,865**	**52,789,165**	**16,774,133**
Currents assets		**130,503,040**	**70,614,205**	**183,268,699**	**67,816,223**
Assets		**303,725,056**	**228,468,034**	**365,582,079**	**232,504,407**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
		DKK	DKK	DKK	DKK
Share capital	9	411,562	348,258	411,562	348,258
Reserve for development costs		58,250,844	46,714,282	58,250,844	46,714,282
Retained earnings		30,246,965	42,146,328	77,070,547	61,759,678
Equity		**88,909,371**	**89,208,868**	**135,732,953**	**108,822,218**
Credit institutions		47,192,441	36,163,422	47,192,441	37,657,838
Payables to group enterprises		0	0	0	8,403,898
Other payables		7,558,832	1,642,528	7,196,979	1,642,528
Long-term debt	12	**54,751,273**	**37,805,950**	**54,389,420**	**47,704,264**
Credit institutions	12	18,691,334	31,885,487	18,555,410	31,885,487
Trade payables		18,121,437	19,158,049	12,184,827	16,821,995
Other payables	12	40,243,400	8,970,906	92,230,156	4,156,461
Deferred income	13	83,008,241	41,438,774	52,489,313	23,113,982
Short-term debt		**160,064,412**	**101,453,216**	**175,459,706**	**75,977,925**
Debt		**214,815,685**	**139,259,166**	**229,849,126**	**123,682,189**
Liabilities and equity		**303,725,056**	**228,468,034**	**365,582,079**	**232,504,407**

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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	348,258	0	46,714,282	42,146,328	89,208,868
Exchange adjustments	0	0	0	(3,090)	(3,090)
Cash capital increase	63,304	179,950,765	0	0	180,014,069
Other equity movements	0	0	0	32,869	32,869
Repurchase warrants	0	901,180	0	(8,949,691)	(8,048,511)
Depreciation, amortisation and impairment for the year	0	0	11,536,562	0	11,536,562
Net profit/loss for the year	0	0	0	(183,831,396)	(183,831,396)
Transfer from share premium account	0	(180,851,945)	0	180,851,945	0
Equity at 31 December	**411,562**	**0**	**58,250,844**	**30,246,965**	**88,909,371**

Parent Company

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
Equity at 1 January	348,258	0	46,714,282	60,604,248	107,666,788
Cash capital increase	63,304	179,950,765	0	0	180,014,069
Other equity movements	0	0	0	43,723	43,723
Repurchase warrants	0	901,180	0	(8,949,691)	(8,048,511)
Depreciation, amortisation and impairment for the year	0	0	11,536,562	0	11,536,562
Net profit/loss for the year	0	0	0	(155,479,678)	(155,479,678)
Transfer from share premium account	0	(180,851,945)	0	180,851,945	0
Equity at 31 December	**411,562**	**0**	**58,250,844**	**77,070,547**	**135,732,953**

Cash Flow Statement 1 January - 31 December

	Note	Group 2020	Group 2019
		DKK	DKK
Net profit/loss for the year		(172,294,834)	(77,044,806)
Adjustments	14	32,218,807	14,542,670
Change in working capital	15	61,821,834	15,499,708
Cash flows from operating activities before financial income and expenses		**(78,254,193)**	**(47,002,428)**
Financial income		86,126	1,790
Financial expenses		(13,312,708)	(2,794,252)
Cash flows from ordinary activities		**(91,480,775)**	**(49,794,890)**
Corporation tax paid(-)/received		4,629,777	2,821,887
Cash flows from operating activities		**(86,850,998)**	**(46,973,003)**
Purchase of intangible assets		(34,355,635)	(87,172,269)
Purchase of property, plant and equipment		(1,887,907)	(3,142,353)
Fixed asset investments made etc.		1,027,676	(1,400,344)
Sale of fixed asset investments etc		0	496,912
Cash flows from investing activities		**(35,215,866)**	**(91,218,054)**
Repayment of loans from credit institutions		(2,165,133)	(2,040,281)
Raising of loans from credit institutions		0	56,713,017
Conversion of other long-term debt		0	(15,971,564)
Cash capital increase		180,014,069	32,598,236
Repurchase of warrants etc.		(8,004,788)	0
Cash flows from financing activities		**169,844,148**	**71,299,408**
Change in cash and cash equivalents		**47,777,284**	**(66,891,649)**
Cash and cash equivalents at 1 January		25,180,865	92,072,514
Cash and cash equivalents at 31 December		**72,958,149**	**25,180,865**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		66,574,502	25,180,865
Cash and cash equivalents at 31 December		**66,574,502**	**25,180,865**
Difference		**6,383,647**	**0**

Notes to the Financial Statements

		Group		Parent Company	
		2020	2019	2020	2019
		DKK	DKK	DKK	DKK
1	**Staff expenses**				
	Wages and salaries	166,108,745	88,676,008	94,193,098	46,703,161
	Pensions	6,698,571	490,059	5,602,516	312,682
	Other social security expenses	11,191,288	3,544,685	686,486	578,422
	Other staff expenses	5,885,265	1,275,435	701,074	1,118,691
		189,883,869	**93,986,187**	**101,183,174**	**48,712,956**
	Average number of employees	**237**	**147**	**139**	**90**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

		Group 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
2	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	21,068,244	13,100,110	6,998,022	5,118,411
	Depreciation of property, plant and equipment	959,155	491,614	486,266	268,829
		22,027,399	**13,591,724**	**7,484,288**	**5,387,240**

		Group 2020 DKK	Group 2019 DKK	Parent Company 2020 DKK	Parent Company 2019 DKK
3	**Tax on profit/loss for the year**				
	Current tax for the year	(4,077,603)	(4,235,009)	(4,077,606)	(4,192,691)
	Deferred tax for the year	0	2,774,316	0	2,774,173
		(4,077,603)	**(1,460,693)**	**(4,077,606)**	**(1,418,518)**

Notes to the Financial Statements

4 Intangible assets

Group

	Completed development projects	Goodwill
	DKK	DKK
Cost at 1 January	67,534,139	108,369,594
Additions for the year	31,639,283	2,716,349
Cost at 31 December	99,173,422	111,085,943
Impairment losses and amortisation at 1 January	16,224,476	0
Amortisation for the year	8,172,401	21,048,501
Impairment losses and amortisation at 31 December	24,396,877	21,048,501
Carrying amount at 31 December	**74,776,545**	**90,037,442**
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.

Notes to the Financial Statements

4 Intangible assets (continued)

Parent Company

	Completed development projects
	DKK
Cost at 1 January	60,712,961
Additions for the year	18,534,584
Cost at 31 December	79,247,545
Impairment losses and amortisation at 1 January	13,998,679
Amortisation for the year	6,998,022
Impairment losses and amortisation at 31 December	20,996,701
Carrying amount at 31 December	**58,250,844**

Notes to the Financial Statements

5 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	3,970,015	387,603
Additions for the year	1,858,710	29,197
Cost at 31 December	5,828,725	416,800
Impairment losses and depreciation at 1 January	765,158	71,372
Depreciation for the year	867,532	34,534
Impairment losses and depreciation at 31 December	1,632,690	105,906
Carrying amount at 31 December	**4,196,035**	**310,894**

Parent Company

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 January	3,005,863	361,171	3,367,034
Additions for the year	1,485,789	21,829	1,507,618
Cost at 31 December	4,491,652	383,000	4,874,652
Impairment losses and depreciation at 1 January	377,215	70,050	447,265
Depreciation for the year	416,219	27,895	444,114
Impairment losses and depreciation at 31 December	793,434	97,945	891,379
Carrying amount at 31 December	**3,698,218**	**285,055**	**3,983,273**

Notes to the Financial Statements

		Parent Company	
		2020	2019
		DKK	DKK
6	**Investments in subsidiaries**		
	Cost at 1 January	112,482,638	47,225,133
	Additions for the year	5,000,000	65,257,505
	Carrying amount at 31 December	**117,482,638**	**112,482,638**

7 Other fixed asset investments

	Group	Parent Company
	Deposits	Deposits
	DKK	DKK
Cost at 1 January	2,761,109	2,555,775
Additions for the year	1,139,991	40,850
Cost at 31 December	3,901,100	2,596,625
Carrying amount at 31 December	**3,901,100**	**2,596,625**

8 Prepayments

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

Notes to the Financial Statements

9 Share capital

The share capital is broken down as follow:

	Number	Nominal value
		DKK
A-shares	89,302	89,302
B-shares	43,107	43,107
C-shares	218,719	218,719
D-shares	60,343	60,343
		411,471

The share capital has developed as follows:

	2020	2019	2018	2017	2016
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	348,258	328,121	141,451	137,706	130,948
Capital increase	63,304	20,137	186,670	3,745	6,758
Capital decrease	0	0	0	0	0
Share capital at 31 December	**411,562**	**348,258**	**328,121**	**141,451**	**137,706**

10 Distribution of profit

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Transfer for the year to other reserves	11,536,562	13,939,277	11,536,562	13,939,277
Retained earnings	-183,831,396	-90,984,083	-155,479,678	-79,619,102
	-172,294,834	**-77,044,806**	**-143,943,116**	**-65,679,825**

Notes to the Financial Statements

11 Provision for deferred tax

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
	DKK	DKK	DKK	DKK
Provision for deferred tax at 1 January	0	(2,774,173)	0	(2,774,173)
Amounts recognised in the income statement for the year	0	2,774,316	0	2,774,173
Amounts recognised in equity for the year	0	(143)	0	0
Provision for deferred tax at 31 December	**0**	**0**	**0**	**0**

Notes to the Financial Statements

12 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	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
Credit institutions				
After 5 years	3,644,449	30,539,585	3,644,449	30,539,585
Between 1 and 5 years	43,547,992	5,623,837	43,547,992	7,118,253
Long-term part	47,192,441	36,163,422	47,192,441	37,657,838
Within 1 year	18,552,875	31,885,487	18,552,875	31,885,487
Other short-term debt to credit institutions	138,459	0	2,535	0
Short-term part	18,691,334	31,885,487	18,555,410	31,885,487
	65,883,775	**68,048,909**	**65,747,851**	**69,543,325**
Payables to group enterprises				
Between 1 and 5 years	0	0	0	8,403,898
Long-term part	0	0	0	8,403,898
Within 1 year	0	0	0	0
	0	**0**	**0**	**8,403,898**
Other payables				
Between 1 and 5 years	7,558,832	1,642,528	7,196,979	1,642,528
Long-term part	7,558,832	1,642,528	7,196,979	1,642,528
Other short-term payables	40,243,400	8,970,906	92,230,156	4,156,461
	47,802,232	**10,613,434**	**99,427,135**	**5,798,989**

13 Deferred income

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

Notes to the Financial Statements

	Group 2020	Group 2019
	DKK	DKK
14 Cash flow statement - adjustments		
Financial income	(86,128)	(1,790)
Financial expenses	14,358,228	2,794,254
Depreciation, amortisation and impairment losses, including losses and gains on sales	22,027,400	13,591,724
Tax on profit/loss for the year	(4,077,603)	(1,460,693)
Other adjustments	(3,090)	(380,825)
	32,218,807	**14,542,670**

15 Cash flow statement - change in working capital

	Group 2020	Group 2019
	DKK	DKK
Change in receivables	(20,663,855)	(22,182,193)
Change in trade payables, etc	82,485,689	37,681,901
	61,821,834	**15,499,708**

Notes to the Financial Statements

16 Contingent assets, liabilities and other financial obligations

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK

Charges and security

The following assets have been placed as security with mortgage credit institutes:

The following assets have been placed as security with bankers:

Floating charge totaling TDKK 20,000, providing security in unsecured claims, goodwill and patent.	37,467,054	27,323,441	37,467,054	27,323,441

The following assets have been placed as security with Vækstfonden:

Floating charge totaling TDKK 66,000 (2019: TDKK 46,000), providing security in unsecured claims, operating equipment, goodwill and patent.	41,165,272	29,952,086	41,165,272	29,952,086

Contingent assets

The Company has an unrecognized tax asset, which primarily relates to tax loss carryforwards. The maximum value based on the present tax rates amounts to TDKK 53,767 (2019: TDKK 19,043).

Notes to the Financial Statements

17 Accounting Policies

The Annual Report of Templafy ApS for 2020 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 2020 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

17 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.

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.

Notes to the Financial Statements

17 Accounting Policies (continued)

Income Statement

Revenue

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

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

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, work on own account recognised in assets, other operating income and other external expenses.

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

17 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 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.

Notes to the Financial Statements

17 Accounting Policies (continued)

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 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

17 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.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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.

Notes to the Financial Statements

17 Accounting Policies (continued)

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