

# Umbraco A/S

Haubergsvej 1, 5000 Odense C

CVR no. 35 86 65 82

## Annual report 2021

Approved at the Company's annual general meeting on 21 March 2022

Chair of the meeting:

.....  
Ulf Martin Henricson

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Umbraco A/S 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 give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Odense, 21 March 2022  
Executive Board:

.....  
Kim Sneum Madsen

Board of Directors:

.....  
Ulf Martin Henricson  
Chair

.....  
Per Ivansson

.....  
Gustav Wilhelm Lagercrantz

.....  
Torben Frigaard Rasmussen

## Independent auditor's report

### To the shareholder of Umbraco A/S

#### Opinion

We have audited the financial statements of Umbraco A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### Management's responsibilities for the financial statements

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

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 21 March 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Søren Smedegaard Hvid  
State Authorised Public Accountant  
mne31450

## Management's review

### Company details

Name	Umbraco A/S
Address, Postal code, City	Haubergsvej 1, 5000 Odense C
CVR no.	35 86 65 82
Established	3 June 2014
Registered office	Odense
Financial year	1 January - 31 December
Website	<a href="http://www.Umbraco.com">www.Umbraco.com</a>
Board of Directors	Ulf Martin Henricson, Chair Per Ivansson Gustav Wilhelm Lagercrantz Torben Frigaard Rasmussen
Executive Board	Kim Sneum Madsen
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

## Management's review

### Business review

The Company's purpose is to help customers deliver delightful digital solutions by making Umbraco friendly, simpler, and social.

The purpose includes running the Umbraco Open Source CMS project. Further, the company offers products and services around the open-source software like:

- ▶ Umbraco Cloud which is the Umbraco CMS with a convenience layer including hosting
- ▶ Partnerships with web agencies in the ecosystem
- ▶ Service and support contracts with end customers
- ▶ Add-ons complementing the open-source software.

In 2021 the Company was part of a transaction where a majority of shares were sold to the Swedish B2B Software Growth Investor Monterro.

Gustav Lagercrantz, CEO of Monterro says:

*"The partnership is a perfect match for us. Monterro's mission is to support Nordic B2B software companies to become global players. Added to that, we're very familiar with the CMS sector, as many of the colleagues at Monterro have managed and scaled up Episerver"*

Monterro at a glance:

- ▶ Monterro is a growth investor with a focus to build software companies in a sustainable way.
- ▶ Monterro, as majority stakeholders, are investing together with Umbraco management.
- ▶ The plan is that Umbraco continues investing back into the company in order to further develop the product and services.
- ▶ Further to expand the Umbraco organization to be able to meet future market demands and be a more attractive partner to existing customers.

### Financial review

The Company's growth in sales is mainly driven by the Umbraco Cloud offerings with nearly 40% growth in revenue from 2020 to 2021. On top of this, new partners and especially support contracts to end clients have contributed to making the overall business more sustainable.

In 2021, the Company continued heavy investments in Umbraco products, in Umbraco HQ, and the Umbraco Community.

The income statement for 2021 shows a profit of 137 t.EUR before tax compared to 116 t.EUR last year, and the balance sheet from December 31, 2021, shows equity of 2,089 t.EUR.

Management considers the Company's financial performance in 2021 to be satisfactory.

For 2022, we will continue to invest further in growth.

## Management's review

### Knowledge resources

2021 was a big year for Umbraco CMS. We shipped the long-awaited version 9 which is a feature-complete platform upgrade to the latest version of the Microsoft .NET platform. This was a multi-year project that ended according to the plan with the release in September 2021. We shipped version 9.1 later in 2021, bringing new features exclusively to the new version.

Umbraco 8 will stay supported, keeping customers happy and safe until February 2025, and the work on the next major release has started already.

Furthermore, we shipped more releases of our other products than ever before:

- ▶ 32 Umbraco CMS releases
- ▶ 40 Umbraco forms releases and
- ▶ 17 Umbraco Deploy releases.

For our Cloud platform, we finalized a much-anticipated move to an Azure Native Setup, built on App-Service. This provides much more flexibility and stability and is an important milestone for the platform. In the last months of the year, projects were migrated to allow all Umbraco Cloud customers to take advantage of this new platform. Since the move, the new platform has confirmed our positive assumptions.

For more information, see our Product Roadmap history on:

<https://umbraco.com/products/roadmap/roadmap-history/>

#### *Umbraco HQ*

Umbraco has dedicated sales staff (offices) covering the UK, the USA, the Netherlands, and the Nordics. However, Umbraco has customers worldwide and trades with more than 100 countries.

By the end of February 2022, there are more than 100 employees and freelancers associated with the Company. Mirroring the global reach of the company, Umbraco employs more than 20 different nationalities in 9 locations.

In 2021 Umbraco employed around 40 new people both in Denmark and around the world following our introduction of “work from anywhere” in late 2020. Because of the growth in staff, Umbraco HQ (Odense, Denmark) was in early 2022 moved from Haubergsvej 1 to a larger office at Buchwaldsgade 35 in Odense, Denmark.

#### *Umbraco Support - a world-class support offering*

As a global company, we believe that we are obliged to be reachable and available to our global audience. And we are proud to be so.

With extended opening hours and support offerings that include 24/7 SLAs, we can take good care of our users and customers around the world.

Furthermore, we know that the speed of delivery and first touch resolutions are crucial factors in order to deliver the best support experience possible. That's why we make sure that when you engage with Umbraco Support you will be met with a passionate, friendly, and domain-strong supporter.

We make sure to measure our performance and closely follow the journey in order to set sail accordingly. But no metric is more important than the experience our customers have when engaging with Umbraco Support. We trust in the Net Promoter Score (NPS) that will ask the customer how she or he felt during their previous interaction based on a score from 1-10. Based on the score we will get an honest and direct answer to that. We have high ambitions and are not afraid to raise the bar and set the benchmark high and above the industry standards.



## Management's review

### *Umbraco Support at a glance*

- ▶ Net Promoter Score in 2021: 74\*
- ▶ Opening hours: 8 am to 11 pm CET (Mon-Fri)
- ▶ Channels: phone, chat, and email
- ▶ Responding to 90% of all tickets within opening hours: 90%
- ▶ Responding to 50% of customers within 60 minutes: 69%

\*Net Promoter Score can range from negative 100 to 100 ( -100 to +100). The industry standard is on average 45-50 according to general publicly available surveys.

In short, the support delivers above and beyond.

### *Umbraco Community*

As a company with a strong developer community, we constantly strive to innovate for and with our community members. The year 2021 was no exception.

In collaboration with the Community Team called Unicore, we shipped Umbraco version 9. The Unicore Team worked closely with the Umbraco CMS engineers helping out with planning, writing RFCs (Request For Comments), and providing feedback as well as an Umbraco developer's perspective to discussions.

The engagement from the community was not limited to the work done by the members of the Unicore Team. A wider range of contributions from 121 community members played a significant role in the development process, ranging from pull requests and feedback to testing and bug reporting. The launch of Umbraco 9 was not the only highlight. In 2021, we hosted the biggest and first-ever virtual Codegarden. More than 2350 attendees from 72 countries joined to hear from Umbraco HQ and 50 international speakers. The positive and enthusiastic reception from the community proved the success of the virtual format in upholding the highly-anticipated effect of Codegarden, an effect which is vital for keeping many Umbracians involved.

2021 also marked the return of the Umbraco Festivals, i.e. national conferences run by organizers from the community. Four festivals with three different setups took place: A virtual US Festival, an in-person DK event, an in-person UK Umbraco Together across 3 cities, and a hybrid NL Conference. The engagement and brand awareness that these events enable in national markets are key to the success of Umbraco.

Last but not least, the network of Umbraco meetup groups kept a consistent activity. While still running the sessions virtually, the meetup organizers have been slowly preparing for a return to in-person gatherings without losing the benefits of a virtual setup. We made sure to provide more active support to the meetup organizers, by crafting content bundles they can use for their regular sessions, inviting speakers from the product team and the community, and ensuring the organizers get the recognition they deserve.

### *Umbraco Community at a glance*

- ▶ CMS pull requests by the community in 2021: 656
- ▶ Documentation pull requests by the community in 2021: 295
- ▶ Number of CMS active contributors in 2021: 142
- ▶ Number of Documentation active contributors in 2021: 81
- ▶ Umbraco meetup groups: 37
- ▶ Members of the meetup groups: 5.806
- ▶ Community Teams: 6
- ▶ Members of the Community Teams: 31
- ▶ Number of MVPs (Most Valuable People): 62

## Management's review

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	EUR	2021	2020
	<b>Revenue</b>	7,979,521	6,433,621
	Cost of sales	-2,260,862	-1,588,706
	Other operating income	0	70,505
	Other external expenses	-1,603,859	-964,231
	<b>Gross profit</b>	4,114,800	3,951,189
2	Staff costs	-3,311,500	-2,810,682
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-700,845	-892,244
	<b>Profit before net financials</b>	102,455	248,263
	Income from investments in group entities	-3,786	996
	Financial income	43,729	1,337
	Financial expenses	-5,570	-134,997
	<b>Profit before tax</b>	136,828	115,599
3	Tax for the year	-39,176	23,457
	<b>Profit for the year</b>	97,652	139,056
	<b>Recommended appropriation of profit</b>		
	Net revaluation reserve according to the equity method	-3,786	996
	Other reserves	1,285,324	229,402
	Retained earnings/accumulated loss	-1,183,886	-91,342
		97,652	139,056

## Financial statements 1 January - 31 December

### Balance sheet

Note	EUR	2021	2020
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
4	<b>Intangible assets</b>		
	Completed development projects	3,876,923	2,228,233
	Goodwill	51,626	84,445
		<u>3,928,549</u>	<u>2,312,678</u>
5	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	156,869	159,625
	Leasehold improvements	134,465	123,841
		<u>291,334</u>	<u>283,466</u>
6	<b>Investments</b>		
	Investments in group entities	3,170	6,953
	Other receivables	40,602	33,610
		<u>43,772</u>	<u>40,563</u>
	<b>Total fixed assets</b>	<u>4,263,655</u>	<u>2,636,707</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	20,171	0
		<u>20,171</u>	<u>0</u>
	<b>Receivables</b>		
	Trade receivables	869,040	576,121
	Receivables from group entities	58,960	77,448
	Income taxes receivable	328,038	42,248
	Other receivables	68,989	112,103
	Deferred income	116,777	160,913
		<u>1,441,804</u>	<u>968,833</u>
	<b>Cash</b>	<u>116,849</u>	<u>820,578</u>
	<b>Total non-fixed assets</b>	<u>1,578,824</u>	<u>1,789,411</u>
	<b>TOTAL ASSETS</b>	<u><u>5,842,479</u></u>	<u><u>4,426,118</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	EUR	2021	2020
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Share capital	111,627	111,265
	Net revaluation reserve according to the equity method	3,170	6,953
	Reserve for development costs	3,024,000	1,731,423
	Translation reserve	0	5,551
	Retained earnings	-1,050,252	-414,127
	<b>Total equity</b>	<b>2,088,545</b>	<b>1,441,065</b>
	<b>Provisions</b>		
	Deferred tax	851,154	526,002
	<b>Total provisions</b>	<b>851,154</b>	<b>526,002</b>
	<b>Liabilities other than provisions</b>		
8	<b>Non-current liabilities other than provisions</b>		
	Other payables	289,793	283,983
		<b>289,793</b>	<b>283,983</b>
	<b>Current liabilities other than provisions</b>		
8	Current portion of long-term liabilities	0	38,263
	Bank debt	307,486	283,228
	Prepayments received from customers	1,563,788	1,156,413
	Trade payables	459,400	200,938
9	Other payables	282,313	496,226
		<b>2,612,987</b>	<b>2,175,068</b>
	<b>Total liabilities other than provisions</b>	<b>2,902,780</b>	<b>2,459,051</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,842,479</b>	<b>4,426,118</b>

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

EUR	Share capital	Net revaluation reserve according to the equity method	Reserve for development costs	Translation reserve	Retained earnings	Total
Equity at 1 January 2020	111,265	5,931	1,502,021	0	-322,785	1,296,432
Transfer through appropriation of profit	0	996	229,402	0	-91,342	139,056
Exchange adjustment	0	26	0	5,551	0	5,577
<b>Equity at 1 January 2021</b>	<b>111,265</b>	<b>6,953</b>	<b>1,731,423</b>	<b>5,551</b>	<b>-414,127</b>	<b>1,441,065</b>
Transfer through appropriation of profit	0	-3,786	1,285,324	0	-1,183,886	97,652
Exchange adjustment	362	3	7,253	-5,551	-1,517	550
Contribution from group	0	0	0	0	549,278	549,278
<b>Equity at 31 December 2021</b>	<b>111,627</b>	<b>3,170</b>	<b>3,024,000</b>	<b>0</b>	<b>-1,050,252</b>	<b>2,088,545</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Umbraco A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

#### Income statement

##### Revenue

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue from time limited software licences is accrued and recognised on a straight line basis over the term of the licence according to the terms of the licence agreement.

Sale of indefinite software licences is recognised as sale of goods whereby revenue is recognised when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets and received subsidy.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/ depreciation

The item comprises amortisation/ depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Goodwill	10 years

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	10 years

#### Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Investments in subsidiaries

Equity investments in subsidiaries is measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

##### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

##### *Reserve for development costs*

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

EUR	2021	2020	
<b>2 Staff costs</b>			
Wages/ salaries	4,106,990	3,231,104	
Pensions	579,254	263,339	
Other social security costs	42,387	24,568	
Other staff costs	148,623	119,558	
Capitalised development costs	-1,565,754	-827,887	
	<u>3,311,500</u>	<u>2,810,682</u>	
Average number of full-time employees	<u>70</u>	<u>54</u>	
<b>3 Tax for the year</b>			
Estimated tax charge for the year	-312,416	-26,602	
Deferred tax adjustments in the year	351,592	2,319	
Tax adjustments, prior years	0	826	
	<u>39,176</u>	<u>-23,457</u>	
<b>4 Intangible assets</b>			
	<b>Completed development projects</b>	<b>Goodwill</b>	<b>Total</b>
EUR			
Cost at 1 January 2021	4,867,417	328,391	5,195,808
Exchange adjustment	1,832	124	1,956
Additions in the year	2,227,769	0	2,227,769
Cost at 31 December 2021	<u>7,097,018</u>	<u>328,515</u>	<u>7,425,533</u>
Impairment losses and amortisation at 1 January 2021	2,639,184	243,946	2,883,130
Exchange adjustment	1,036	94	1,130
Amortisation/depreciation in the year	579,875	32,849	612,724
Impairment losses and amortisation at 31 December 2021	<u>3,220,095</u>	<u>276,889</u>	<u>3,496,984</u>
<b>Carrying amount at 31 December 2021</b>	<u>3,876,923</u>	<u>51,626</u>	<u>3,928,549</u>
Amortised over	<u>5 years</u>	<u>10 years</u>	

Based on the current development projects the company expects a significant increase in activities and profits during the coming years.

Management has not identified any evidence of impairment relative to the carrying amount.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Property, plant and equipment

EUR	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	347,700	182,928	530,628
Exchange adjustment	130	69	199
Additions in the year	65,714	30,172	95,886
Cost at 31 December 2021	413,544	213,169	626,713
Impairment losses and depreciation at 1 January 2021	188,075	59,087	247,162
Exchange adjustment	76	21	97
Amortisation/depreciation in the year	68,524	19,596	88,120
Impairment losses and depreciation at 31 December 2021	256,675	78,704	335,379
<b>Carrying amount at 31 December 2021</b>	<b>156,869</b>	<b>134,465</b>	<b>291,334</b>
Depreciated over	5 years	10 years	

#### 6 Investments

EUR	Investments in group entities	Other receivables	Total
Cost at 1 January 2021	0	33,610	33,610
Exchange adjustment	0	13	13
Additions in the year	0	6,979	6,979
Cost at 31 December 2021	0	40,602	40,602
Value adjustments at 1 January 2021	6,953	0	6,953
Exchange adjustment	3	0	3
Share of the profit/loss for the year	-3,786	0	-3,786
Value adjustments at 31 December 2021	3,170	0	3,170
<b>Carrying amount at 31 December 2021</b>	<b>3,170</b>	<b>40,602</b>	<b>43,772</b>

Name	Domicile	Interest
<b>Subsidiaries</b>		
Umbraco LLC	USA	100.00%
Umbraco UK Ltd.	England	100.00%

#### 7 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK	2021	2020	2019	2018	2017
Opening balance	830,117	830,117	830,117	830,117	784,000
Capital increase	0	0	0	0	46,117
	830,117	830,117	830,117	830,117	830,117

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

#### 9 Other payables

Other payables are comprised of holiday obligation and other payables regarding salaries.

#### 10 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Umbraco Intressenter A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 12. august 2021.

##### Other financial obligations

Other rent and lease liabilities:

EUR	2021	2020
Rent and lease liabilities	50,726	48,112

Rent and lease liabilities include interminable rent obligations on 3-6 months and interminable leasing obligations on 4 months.

#### 11 Collateral

As security for the Company's debt to banks and other suppliers the Company has provided security or other collateral in its assets for at total amount of EUR 1,243,864.

#### 12 Related parties

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Umbraco Intressenter ApS	Odense

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## Søren Smedegaard Hvid

### EY Signer

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:1256831000710

IP: 145.62.xxx.xxx

2022-03-21 17:46:33 UTC

NEM ID 

## MARTIN HENRICSON

### Client Signer

On behalf of: Umbraco A/S

Serial number: 19610509xxxx

IP: 78.68.xxx.xxx

2022-03-21 18:21:10 UTC



## Torben Frigaard Rasmussen

### Client Signer

On behalf of: Umbraco A/S

Serial number: PID:9208-2002-2-755532531316

IP: 109.59.xxx.xxx

2022-03-21 19:50:47 UTC

NEM ID 

## Kim Sneum Madsen

### Client Signer

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IP: 77.241.xxx.xxx

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## PER IVANSSON

### Client Signer

On behalf of: Umbraco A/S

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## Gustav Wilhelm Lagercrantz

### Client Signer

On behalf of: Umbraco A/S

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