

Umbraco A/S

Buchwaldsgade 35, 2., 5000 Odense C

Annual report

2022

Company reg. no. 35 86 65 82

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The annual report was submitted and approved by the general meeting on the 27 April 2023.

Martin Henricson
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Contents

Page

Reports

- 1 Management's statement
- 2 Independent auditor's report

Management's review

- 5 Company information
- 6 Management's review

Financial statements 1 January - 31 December 2022

- 14 Income statement
- 15 Balance sheet
- 17 Statement of changes in equity
- 18 Notes
- 22 Accounting policies

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Umbraco A/S for the financial year 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a true and 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 C, 27 April 2023

Managing Director

Kim Sneum Madsen

Board of directors

Martin Henricson
Chair

Torben Frigaard Rasmussen

Gustav Wilhelm Lagercrantz

Per Ivansson

Youtse Sung

Independent auditor's report

To the Shareholders of Umbraco A/S

Opinion

We have audited the financial statements of Umbraco A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 are independent of the Company 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.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

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

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.

Independent auditor's report

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 Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Kolding, 27 April 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Andy Philipp Gøttig

State Authorised Public Accountant
mne36186

Company information

The company	Umbraco A/S Buchwaldsgade 35, 2. 5000 Odense C Company reg. no. 35 86 65 82 Financial year: 1 January - 31 December
Board of directors	Martin Henricson, Chair Torben Frigaard Rasmussen Gustav Wilhelm Lagercrantz Per Ivansson Youtse Sung
Managing Director	Kim Sneum Madsen
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Jupitervej 4 6000 Kolding
Subsidiaries	Umbraco LLC, USA Umbraco UK Ltd., England Umbraco NL B.V., The Netherlands

Management´s review

The principal activities of the company

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-on products and services complementing the open-source software.

As reported in 2021 the Company was part of a transaction where a majority of shares were sold to the Swedish B2B Software Growth Investor Monterro. Following the transaction we carried out a capital increase in Q4 2022 enabling the company to continue its expansion in key markets including the US.

Financial review

The Company experienced a satisfying growth in sales of 28 % compared to 2021. Our sales growth was mainly driven by our Umbraco Cloud offerings, but also from partnerships with agencies and support contracts to end clients have contributed to making the overall business more solid and sustainable.

In 2022, the Company increased the heavy investments in Umbraco products, in Umbraco HQ, and the Umbraco Community significantly with a group contribution of 2.742 EUR, through a capital increase in our parent company.

The income statement for 2022 shows a net loss for the year of 940 t.EUR compared to a profit of 98 t.EUR last year, and the balance sheet from December 31, 2022, shows equity of 3,890 t.EUR.

Management considers the Company's financial performance in 2022 to be satisfactory.

For 2023, we will continue to invest further in growth. As for 2022 this means product development, community activities and increased sales and marketing costs in key markets. We expect a 25% average sales growth across markets and products and a net loss on the same level, following the investments done in previous years.

Management´s review

Organization, Staff and diversity and inclusion

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

By the end of December 2022, there are more than 120 employees and freelancers associated with the Company. Mirroring the global reach of the company, Umbraco employs more than 25 different nationalities across the world.

In 2022 Umbraco hired 40 new people both in Denmark and around the world following our introduction of a “work from anywhere” policy in late 2020.

Umbraco has invited staff to join as shareholders. First round of this program late 2021 resulted in more than 40 employees becoming shareholders in the company. The plan is to invite staff to become shareholders on a regular basis e.g. 12-18 months frequency.

Diversity and Inclusion

We believe that working actively with diversity and inclusion makes us better at what we do. We strive to create a diverse environment in and around Umbraco, where everyone feels welcomed and included.

Within IT/Tech it is a commonly known issue that women are underrepresented both as employees and among the talent pools that we are recruiting from. That is why we as a company have set the goal to be above the Danish IT-industry average on the underrepresented gender. In 2022 it is approx 30% female and 70% male. In order to achieve this we have initiated the following initiatives in recruiting in 2022:

- Gender neutral job ads and bias free recruitment
- Encouraging everybody from different backgrounds to apply
- Always present a diverse line-up of candidates to hiring managers
- Hiring the candidate that brings the most value - not necessarily the one with the best traditional skill set

We also introduced a new set of commitments in 2022 that we believe will help contribute to change the situation for the better. We will:

- Ensure that we are diverse and inclusive in all our activities eg. developer community activities, marketing, communication, events etc.
- Only participate in, and support diverse events
- Offer equal opportunities for staff through onboarding, internal career paths and other supporting activities on the individual level
- Actively support activities outside the company facilitating diversity and inclusion in our local communities eg. Hack your future, coding classes, mentor program for female students at colleges etc.

Management´s review

Gender composition in 2022

- Gender composition of the company is approximately 30% non male hence on par with the Danish IT-industry
- Board of directors: 20% female (13% female board member in the Danish IT industry)
- 1st level: CEO - 100% male
- 2nd level: C-Suite - 14% Female
- 3rd level: Team leads and Group leads - 40% female

Knowledge resources

In 2022 we shipped Umbraco 10 and Umbraco 11, with the former being a LTS (Long Term Support)-version - the first after the new version-scheme was introduced. This is on .NET 6 which is also LTS. Both versions were released on time, and brought new features with them - including, but not limited to, a new Grid, a cross-platform embedded database, etc. The Open source nature of our core product, lets us be user-centric in our product development, through community involvement via newly established External Product-Stakeholder-groups (think: advisory boards for all our products).

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

- 32 Umbraco CMS releases
- 40 Umbraco forms releases and
- 28 Umbraco Deploy releases.

For our Cloud platform, we finalized:

- The migration to the new modern Azure setup in January.
- We spent the majority of H1 on making Umbraco Cloud ready for Multi-region, and in September we turned on the US-region allowing US-based Customers to host websites in a Umbraco Cloud Region closer to the end-user and developers. This will also remove a concern that held US customers back from choosing Umbraco Cloud as all data can now be stored within the US.
- We also added dedicated Compute as a self-service option for customers on all plans, so anybody is able to reserve the full resources (that are normally shared) for themselves.
- Our cloud platform continues to evolve and mature, with rock solid operations and high availability, and we are looking at a rich roadmap adding functionalities and flexibility that will open doors to more customers in new segments.

In 2022 Umbraco also acquired “Plumber” - a package that can add approval workflows for large content-sites. The Package is now sold as a subscription under the name “Umbraco Workflow” and development continues.

Finally it is worth mentioning our efforts around composable DXP (digital experience platform). Our integration team released 12 new integrations to noteworthy tech-partners, including Google, Microsoft, Hubspot, Zapier, Shopify, commercetools and more. In December we introduced a new marketplace to promote and discover products and services that complement Umbraco. Within the first month the marketplace already included 200+ integrations and packages.

Management´s review

For more information, see our Product Roadmap history on:
<https://umbraco.com/products/roadmap/roadmap-history/>

Customers including service and support

During 2022 the Umbraco support continued to deliver world class support.

An overall NPS of 80 over the year is a new Umbraco record that we are very proud of having achieved. This places Umbraco among the very top of SaaS companies using NPS to gauge their customer satisfaction, and means that we outpace high-performers in the SaaS industry such as Zoom (NPS: 72), Paypal (NPS: 65) and Slack (NPS: 55).

Other KPI's are looking good and overall we are keeping our customer promise. We would like to be responding to 50% of customers within 60 minutes, which we have not entirely fulfilled but are continuing work on delivering fast response times in 2023, while not compromising on quality.

Umbraco Support at a glance

- NPS*: 80
- 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: 43%
- Resolving 95% of all tickets in 1st line support

*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.

Other noteworthy achievements in 2022 are:

- Launch of new documentation platform and tutorial video channel on Youtube in January.
 - o 196 videos uploaded since launch
 - o 1590 subscribers
 - o 152.486 views
- Launch of new documentation platform in November.
 - o All Umbraco documentation from version 9 and above are now in a (non-Umbraco) platform specifically made for documentation, which gives both new and existing users an easier time finding the information they need in order to work with Umbraco.
 - o The platform was selected based on criteria put together by the documentation team in collaboration with the community team: “Documentation Curators” who worked alongside Umbraco HQ and helped us ensure that we found the right platform for Umbraco HQ and the community alike.
- We certified more than 850 participants at our training courses.

Sustainability

Since 2020 Umbraco has been planting trees and offsetting CO2e in the “Umbraco Forest” in

Management´s review

collaboration with our community members. This included below listed activities:

- During Hacktoberfest, the annual hackathon, people who contribute to the Umbraco open-source projects can choose between receiving Umbraco Swag, or planting a tree. For each contributor that chooses to have a tree planted, Umbraco plants an additional 12 trees, one per month for a year.
- We applied a similar model to a campaign where we encouraged our users to review Umbraco on an external review platform and incentivized them by planting 25 trees for each review.
- Additionally, for each minor Umbraco release, we plant a tree per community contribution (merged pull request) plus carbon offsets (1 tonne CO₂e avoided per release).

The above initiatives have resulted in more than 17.000 trees planted and a carbon reduction of more than 300 tonnes CO₂e.

2022 will be the first year where we expand the above initiative to the whole company. Thus in 2022 Umbraco started the journey towards becoming CO₂e neutral. We are offsetting the part of our emissions that we and our suppliers have not been able to prevent eg. by using renewable energy sources.

- We have switched to renewable energy sourcing at Umbraco HQ in Odense. We did that mid 2022 and our energy supplier are guaranteeing that all energy delivered to Umbraco HQ will be from renewable energy sources. We have investigated the possibilities for use of renewable energy at our other locations but Umbraco HQ is currently the only location where we are able to control which provider is delivering our energy.
- We have been investigating our suppliers with the aim to identify any sources of upstream emissions. The list of suppliers and their work in this regard will be made available on our website during 2023.
- With regards to offsetting our up and downstream emissions we have gone through all suppliers and calculated the carbon emissions we are responsible for. In order to make sure that Umbraco offsets our CO₂e emissions in 2022 we are offsetting 1,100 tonnes (equal to 4,803 flights from CPH to NYC) of carbon emissions via renewable energy projects that Umbraco is sponsoring around the world as part of our sustainability program.

The numbers above are estimates and we are not yet at a point where we can fully uncover the actual emissions data, due to many suppliers not yet having this information themselves. We have been conservative in all calculations and have used a principle of “better to offset too much than too little”, knowing that there’s some uncertainty in the data. Over the next years we will continue working on getting more precise information aiming towards as clear a picture as possible.

Offsetting is not the primary or ideal solution to minimizing our climate impact. Reducing our own emissions, and those of our suppliers as much as possible will always be option 1. We will continue this effort year by year as more information is becoming available from our current suppliers and more sustainable suppliers are becoming available.

Other sustainability initiatives

- UN Global Compact member

Management´s review

- 2022 was the year where we moved Umbraco HQ to new premises. More than 100 employees moved into the new Umbraco Headquarters which we have to a large extent furnished with second hand furniture from local thrift shops.
- Further we have invested in reusable metal bottles replacing plastic water bottles, cold-water fountains reducing waste water and implemented new food waste measurements in the form of food waste recycling bins at Umbraco Headquarters.
- Emission deriving from the usages of our software outside Umbraco cloud is impossible for us to control as users are free to host where they want. However we have taken to initiatives in this regard:
 - o Focus on CPU usage in our development work. We aim to keep CPU usage down when developing Umbraco. It is well known that the higher CPU usage the higher energy consumption.
 - o Document and advocate for best practice on building sustainable digital projects thus making it easier for our users to apply these.

These actions are to be seen more as a beginning, than an indicator of our overall ambitions of reducing the environmental impact of Umbraco. We are actively working on reducing travel to a minimum, are vetting our suppliers based on their sustainability efforts and are using our influence among the thousands of people we are in touch with, teaching them how to create lower impact solutions with Umbraco.

The Umbraco Community

Since the beginning of Umbracos history the community has been involved not only in innovating and contributing to the open-source products, but also as a means to keep the outside-in perspective top of mind for the people working at Umbraco HQ.

When community members engage with us and let us know what they think about our products, service and the company in general we get to experience Umbraco from the outside-in perspective. This is very valuable to us and something that we are carefully working to maintain as the company and the community grows.

Community Collaboration

In 2022 the Umbraco Community continued to grow and community contributions enriched most, if not all, areas of the business.

- The “Documentation Curators” team retired after having fulfilled their purpose of helping the Umbraco Docs team to improve the documentation and ultimately helped them in their selection of the new documentation platform.
- Community team day at Umbraco HQ with 38 attendees from the Umbraco community.

Other Community Teams prepared for new applicants in early 2023.

Community events and engagement

We supported Festivals and national Umbraco conferences run by community members across the globe both in person and online. We saw a rise in meetup groups and attendees in all four of our key markets,

Management´s review

as well as other parts of the world, with 3 new or reactivated meetup groups in the US, inside of our target areas, in New York City, Charlotte and Minneapolis.

The addition of dedicated Developer Relations (DevRel) staff in the US has been instrumental in keeping the activity going in the US, including making connections with new community members, gold partners and the local university. We look forward to seeing the results of this effort in 2023.

Codegarden 2022 was another opportunity for a big boost in participation and as usual, we saw high numbers of contributions to the project but also, a surge in collaboration, package development and content creation off the back of the event. Our biggest Codegarden yet saw 836 people joining us in Odense and 622 online participants.

Measuring love

A good, stable codebase, with reliable quality assurance, means that there are fewer issues for the community to fix so the community developers are turning their hands to alternative contributions.

As a consequence 2022 became the year that we decided to begin acknowledging and measuring no/low-code community contributions and we introduced a new metric, the “Love Score”. Love score is calculated based on a community members total engagement with Umbraco including a wide range of no-code interactions such as hosting and participation at events, social media engagement, consumption of Umbraco content combined with the familiar PR’s to the Umbraco products and documentation.

Now we have access not just to the numbers of contributors, but a closer look at the contributor journey so we are able to identify patterns, celebrate participation and remove friction for our contributors.

Umbraco Community at a glance

- CMS pull requests by the community in 2022 : 396
- Documentation pull requests by the community in 2022: 302
- Number of CMS active contributors in 2022: 121
- Number of Documentation active contributors in 2022: 92
- Umbraco meetup groups: 39
- Community Teams: 5
- Community Sounding boards: 2
- Members of the Community Teams: 31
- Number of MVPs (Most Valuable People): 62
- Total Love Score for 2022 (no. of community activities): 66,866*

*compared to a score of 49,487 for 2021 when tracking the same activities retrospectively

Events after the balance sheet date

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

Management´s review

During the Spring 2023 we finalized an investment in Outfield Digital Limited in the UK. The company has a main e-commerce offering called Vendr. This product ties well into the Umbraco cDXP and therefore a suitable fit into our growth strategy.

Income statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue	10.136.281	7.979.934
Other operating income	62.594	52.979
Cost of sales	-3.008.423	-2.260.974
Other external expenses	-2.869.151	-1.732.116
Gross profit	4.321.301	4.039.823
1 Staff costs	-4.391.936	-3.236.480
Depreciation, amortisation, and impairment	-1.094.978	-700.881
Operating profit	-1.165.613	102.462
Income from investments in subsidiaries	240	-3.786
Other financial income from group enterprises	14.587	0
Other financial income	0	43.731
Other financial expenses	-11.216	-5.571
Pre-tax net profit or loss	-1.162.002	136.836
2 Tax on net profit or loss for the year	222.450	-39.178
Net profit or loss for the year	-939.552	97.658
Proposed distribution of net profit:		
Reserves for net revaluation according to the equity method	1.452	-3.786
Transferred to other reserves	994.000	1.285.324
Allocated from retained earnings	-1.935.004	-1.183.880
Total allocations and transfers	-939.552	97.658

Balance sheet at 31 December

All amounts in EUR.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
3 Completed development projects, including patents and similar rights arising from development projects	5.164.168	3.876.923
4 Goodwill	18.715	51.642
Total intangible assets	<u>5.182.883</u>	<u>3.928.565</u>
5 Other fixtures, fittings, tools and equipment	211.131	156.872
6 Leasehold improvements	185.315	134.459
Total tangible assets	<u>396.446</u>	<u>291.331</u>
7 Investments in group enterprises	4.622	3.170
8 Deposits	91.891	40.601
Total investments	<u>96.513</u>	<u>43.771</u>
Total non-current assets	<u>5.675.842</u>	<u>4.263.667</u>
Current assets		
Finished goods	42.451	20.170
Total inventories	<u>42.451</u>	<u>20.170</u>
Trade receivables	1.019.520	869.040
Receivables from group enterprises	87.985	58.958
Receivable corporate tax	492.689	328.031
Other receivables	0	68.989
Prepayments	80.598	116.775
Total receivables	<u>1.680.792</u>	<u>1.441.793</u>
Cash and cash equivalents	701.015	116.849
Total current assets	<u>2.424.258</u>	<u>1.578.812</u>
Total assets	<u>8.100.100</u>	<u>5.842.479</u>

Balance sheet at 31 December

All amounts in EUR.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Share capital	111.604	111.627
Reserves for net revaluation as per the equity method	4.622	3.170
Reserve for development expenditure	4.018.000	3.024.000
Retained earnings	-244.118	-1.050.252
Total equity	<u>3.890.108</u>	<u>2.088.545</u>
Provisions		
Provisions for deferred tax	1.094.140	851.154
Total provisions	<u>1.094.140</u>	<u>851.154</u>
Liabilities other than provisions		
Other payables	298.156	289.787
9 Total long term liabilities other than provisions	<u>298.156</u>	<u>289.787</u>
Bank loans	0	307.478
Prepayments received from customers	2.156.435	1.563.788
Trade payables	278.467	459.400
Payables to subsidiaries	2.400	0
Other payables	380.394	282.327
Total short term liabilities other than provisions	<u>2.817.696</u>	<u>2.612.993</u>
Total liabilities other than provisions	<u>3.115.852</u>	<u>2.902.780</u>
Total equity and liabilities	<u>8.100.100</u>	<u>5.842.479</u>

10 Charges and security

11 Contingencies

12 Related parties

Statement of changes in equity

All amounts in EUR.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Total
Equity 1						
January 2021	111.265	6.953	1.731.423	5.551	915.825	2.771.017
Share of results	0	-3.786	0	0	-2.513.838	-2.517.624
Transferred from results brought forward	0	0	1.285.324	0	0	1.285.324
Cash capital reduction	362	3	7.253	-5.551	-1.517	550
Contribution from group	0	0	0	0	549.278	549.278
Equity 1						
January 2022	111.627	3.170	3.024.000	0	-1.050.252	2.088.545
Share of results	0	1.452	0	0	-1.935.004	-1.933.552
Transferred from results brought forward	0	0	994.000	0	0	994.000
Cash capital reduction	-23	0	0	0	-423	-446
Contribution from group	0	0	0	0	2.741.561	2.741.561
	111.604	4.622	4.018.000	0	-244.118	3.890.108

Notes

All amounts in EUR.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	5.349.596	4.180.641
Pension costs	698.395	547.192
Other costs for social security	100.216	74.482
Capitalised development costs	<u>-1.756.271</u>	<u>-1.565.835</u>
	<u>4.391.936</u>	<u>3.236.480</u>
Average number of employees	<u>89</u>	<u>70</u>
2. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	-492.689	-312.432
Adjustment for the year of deferred tax	243.168	351.610
Adjustment of tax for previous years	<u>27.071</u>	<u>0</u>
	<u>-222.450</u>	<u>39.178</u>
3. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2022	7.096.950	4.867.417
Additions during the year	<u>2.251.672</u>	<u>2.229.533</u>
Cost 31 December 2022	<u>9.348.622</u>	<u>7.096.950</u>
Amortisation and write-down 1 January 2022	-3.220.027	-2.640.121
Amortisation for the year	<u>-964.427</u>	<u>-579.906</u>
Amortisation and write-down 31 December 2022	<u>-4.184.454</u>	<u>-3.220.027</u>
Carrying amount, 31 December 2022	<u>5.164.168</u>	<u>3.876.923</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. The amortisation period is set at 5 years.

Notes

All amounts in EUR.

	<u>31/12 2022</u>	<u>31/12 2021</u>
4. Goodwill		
Cost 1 January 2022	328.515	328.515
Cost 31 December 2022	<u>328.515</u>	<u>328.515</u>
Amortisation and write-down 1 January 2022	-276.873	-243.946
Amortisation for the year	<u>-32.927</u>	<u>-32.927</u>
Amortisation and write-down 31 December 2022	<u>-309.800</u>	<u>-276.873</u>
Carrying amount, 31 December 2022	<u>18.715</u>	<u>51.642</u>
5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	413.456	347.823
Additions during the year	<u>126.175</u>	<u>65.633</u>
Cost 31 December 2022	<u>539.631</u>	<u>413.456</u>
Amortisation and write-down 1 January 2022	-256.584	-188.074
Depreciation for the year	<u>-71.916</u>	<u>-68.510</u>
Amortisation and write-down 31 December 2022	<u>-328.500</u>	<u>-256.584</u>
Carrying amount, 31 December 2022	<u>211.131</u>	<u>156.872</u>
6. Leasehold improvements		
Cost 1 January 2022	203.810	182.993
Additions during the year	<u>76.086</u>	<u>20.817</u>
Cost 31 December 2022	<u>279.896</u>	<u>203.810</u>
Depreciation and write-down 1 January 2022	-69.351	-59.108
Depreciation for the year	<u>-25.230</u>	<u>-10.243</u>
Depreciation and write-down 31 December 2022	<u>-94.581</u>	<u>-69.351</u>
Carrying amount, 31 December 2022	<u>185.315</u>	<u>134.459</u>

Notes

All amounts in EUR.

	<u>31/12 2022</u>	<u>31/12 2021</u>
7. Investments in group enterprises		
Revaluations, opening balance 1 January 2022	3.170	6.953
Results for the year before goodwill amortisation	<u>1.452</u>	<u>-3.783</u>
Revaluation 31 December 2022	<u>4.622</u>	<u>3.170</u>
Carrying amount, 31 December 2022	<u>4.622</u>	<u>3.170</u>
Group enterprises:		
	Domicile	Equity interest
Umbraco LLC	USA	100 %
Umbraco UK Ltd.	England	100 %
Umbraco NL B.V.	The Netherlands	100 %
8. Deposits		
Cost 1 January 2022	40.601	40.601
Additions during the year	<u>51.290</u>	<u>0</u>
Cost 31 December 2022	<u>91.891</u>	<u>40.601</u>
Carrying amount, 31 December 2022	<u>91.891</u>	<u>40.601</u>
9. Long term liabilities other than provisions		
Of the long-term liabilities, EUR 0,- falls due to payment after more than 5 years after the balance sheet date.		
10. Charges and security		
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 1.477.133.		

Notes

All amounts in EUR.

11. Contingencies

Other rent and lease liabilities

	EUR
Rent and lease liabilities	806.974
Total contingent liabilities	806.974

Rent liabilities include interminable rent obligations on 3-42 months.

Joint taxation

With Umbraco Intressenter ApS, Denmark, as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The total tax payable under the joint taxation scheme appears in the annual report of the administration company.

12. Related parties

Ownership

The following shareholder are registered in the Company's register of shareholders as holding minimum 50% of the votes or minimum 50% of the share capital.

Umbraco Intressenter ApS, Buchwaldsgade 35, 2., 5000 Odense C

Accounting policies

The annual report for Umbraco A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

Changes in the accounting policies

The classification of the accounting item "staff costs" has been changed so that certain types of income, which had been presented under staff costs, will in the future be presented under the accounting item "other operating income".

The change in classification, has no monetary effect on the year's result or the balance sheet for neither the current or the previous financial year. The comparative figures are adapted to the changed classification.

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.

Cost of sales

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

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Accounting policies

Other external expenses

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual subsidiaries are recognised in the income statement as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year. Completed development projects are amortised on a straightline basis over the expected useful life, the amortisation period is set at 5 years

Accounting policies

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 10 years.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a measurement method.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries but are not represented in the parent, the following accounting policies have been applied.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

Accounting policies

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Umbraco A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Kim Sneum Madsen

Navnet returneret af dansk MitID var:
Kim Sneum Madsen
Direktør
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Tidspunkt for underskrift: 01-05-2023 kl.: 11:29:31
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Martin Henricson

Navnet returneret af svensk BankID (SE) var:
MARTIN HENRICSON
Bestyrelsesformand
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Martin Henricson

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Dirigent
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Torben Frigaard Rasmussen

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Gustav Wilhelm Lagercrantz

Navnet returneret af svensk BankID (SE) var:
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Youtse Sung
Bestyrelsesmedlem
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Per Ivansson

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Andy Philipp Gøttig

Navnet returneret af dansk NemID var:
Andy Philipp Gøttig
Revisor
På vegne af Martinsen Statsautoriseret Revisionspartnerse...
ID: 40051948
CVR-match med dansk NemID
Tidspunkt for underskrift: 02-05-2023 kl.: 21:35:14
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