

Reputation Institute Holding A/S

Lersø Parkallé 112, 2100 København Ø

Company reg. no. 28 27 94 85

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 10 September 2021.

Peter Neve
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 January - 31 December 2020	
Accounting policies	8
Income statement	12
Statement of financial position	13
Notes	15

Management's report

Today, the board of directors and the managing director have presented the annual report of Reputation Institute Holding A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

København Ø, 9 September 2021

Managing Director

Kylie Louise Wright-Ford

Board of directors

Tyler Cranmer Newton

Vicki Raport

Christopher John Perry

Kylie Louise Wright-Ford

John Archibald Mckinley JR

Charles Joseph Fombrun

Nicolas Georges Trad

Independent auditor's report

To the shareholders of Reputation Institute Holding A/S

Opinion

We have audited the financial statements of Reputation Institute Holding A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Aabyhøj, 9 September 2021

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

John Lindholm Bode

State Authorised Public Accountant
mne32840

Company information

The company

Reputation Institute Holding A/S
Lersø Parkallé 112
2100 København Ø

Company reg. no. 28 27 94 85
Established: 19 November 2004
Domicile: Copenhagen, Denmark
Financial year: 1 January - 31 December

Board of directors

Tyler Cranmer Newton
Vicki Raport
Christopher John Perry
Kylie Louise Wright-Ford
John Archibald Mckinley JR
Charles Joseph Fombrun
Nicolas Georges Trad

Managing Director

Kylie Louise Wright-Ford

Auditors

RSM Danmark Statsautoriseret Revisionspartnerselskab
Søren Frichs Vej 36 L
8230 Aabyhøj

Parent company

RepTrak Holdings, Inc.

Management commentary

The principal activities of the company

Reputation Institute Holding A/S is a Danish registered holding company, and together with its subsidiaries (the "RI Group") is the world leading reputation data and insights company.

They provide the only global platform for data-driven insights on Reputation, Brand and ESG. Reputation Institute's proprietary RepTrak® model is the global standard for measuring and analyzing the sentiment of the world using proven data science models and machine learning techniques across industries and geographies.

Subscribers to the RepTrak® Program use our predictive insights to protect business value, improve return on investment, and increase their positive impact on society.

During April 2020, the Group rebranded from Reputation Institute to The Rep Trak Company. On December 31, 2020 assets were transferred from Reputation Holding to the RepTrak Holdings, Inc. in connection with the redomicile transaction to create a U.S. parent company. With the transfer of assets, Reputation Holding and all wholly-owned subsidiaries became subsidiaries of the RepTrak Holdings, Inc. (The Group).

Uncertainties about recognition or measurement

It is estimated that no specific uncertainties are related to recognition and measurement of the financial items in the annual accounts.

Development in activities and financial matters

The gross loss for the year totals DKK -926.990 against DKK -1.175.246 last year. Income or loss from ordinary activities after tax totals DKK -7.159.943 against DKK -2.247.807 last year. Management considers the results as expected.

The Group is subject to many risks common to rapidly growing technology-based companies, including rapid technological changes, competition from larger companies, successful marketing of its commercial products, substitute products and services, dependence on key individuals, and regulatory change. The future viability of the Group is largely dependent on its ability to maintain and renew financing, invest in marketing, successfully generate revenues, achieve profitability, and generate sufficient cash to cover operating costs. The Group has historically funded its operations to date through the sale of its services, equity financings and a line of credit. During July 2021, the Group executed a Loan Agreement for \$10,000,000. Management expects that cash from operations will be sufficient for continuing operations for at least one year from when these statements were issued. There can be no assurance as to whether the Group's actions to generate liquidity will be successful.

For further information please see the annual report for the Group.

Management commentary

Special risks

Exchange rate risks

The RI Group operates internationally and is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the Danish Kroner, EURO and the US Dollar. Foreign exchange risk arises from the future commercial transactions, recognized assets and liabilities and net investments in foreign operations, when they are denominated in a currency that is not the respective subsidiary's functional currency.

Interest risks

The most significant interest rate risk relates to the bank credit facilities raised by the Group's US subsidiary. These facilities are subject to variable-rate interest.

Credit risks

The Group's credit risks mainly relate to trade receivables.

The Group is not dependent on particular customer segments or any specific customers. The credit risk of the Group is generally considered insignificant.

Environmental issues

The Group's activities are only considered to have a limited impact on the environment.

Know how resources

It is important for the ongoing development of the RI Group to maintain a high level of competence. This is reflected in course activities etc. for the employees.

Research and development activities

The RI Group strives to be a technological leader in its industry and therefore spends significant resources on continued investment in developing a technology-driven product team.

Accounting policies

The annual report for Reputation Institute Holding 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.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Reputation Institute Holding A/S and its group enterprises are included in the consolidated financial statements for RepTrak Holdings, Inc., Boston.

Changes in the accounting policies

Accounting policies have been changed to measure investments in subsidiaries, which are now measured at cost price. Management considers that this practice gives a true and fair view. This has a positive effect on profit for the year with TDKK 13.721, while equity is positively affected with TDKK 13.721. Last year the profit and the equity is affected positively with TDKK 600 and TDKK 600 respectively.

Comparative figures have been adjusted.

Except for the above, the accounting policies remain unchanged from last year.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross loss

Gross loss comprises other external costs.

Other external costs comprise costs incurred for administration.

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, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

Dividend from equity investments in group enterprises is recognised in the financial year in which the dividend is declared.

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 company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

Accounting policies

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises 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.

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.

Investments

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

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.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Income tax and deferred tax

As administration company, Reputation Institute Holding A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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.

Accounting policies

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".

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 is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	-926.990	-1.175.246
Income from equity investments in group enterprises	-5.012.647	0
Other financial income from group enterprises	307.505	0
Other financial income	8.425	66.376
1 Other financial costs	<u>-1.536.236</u>	<u>-1.138.937</u>
Pre-tax net profit or loss	-7.159.943	-2.247.807
Tax on net profit or loss for the year	<u>0</u>	<u>0</u>
Net profit or loss for the year	<u>-7.159.943</u>	<u>-2.247.807</u>
 Proposed appropriation of net profit:		
Allocated from retained earnings	<u>-7.159.943</u>	<u>-2.247.807</u>
Total allocations and transfers	<u>-7.159.943</u>	<u>-2.247.807</u>

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
2 Equity investments in group enterprises	0	0
Total investments	0	0
Total non-current assets	0	0
Current assets		
Receivables from group enterprises	19.930.372	1.310.737
Total receivables	19.930.372	1.310.737
Cash on hand and demand deposits	1.111.823	8.547.943
Total current assets	21.042.195	9.858.680
Total assets	21.042.195	9.858.680

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
3	Contributed capital	1.248.579	1.248.579
4	Retained earnings	3.920.685	5.149.542
	Total equity	<u>5.169.264</u>	<u>6.398.121</u>
Liabilities other than provisions			
	Convertible Loan Notes	12.872.769	0
	Trade payables	279.286	2.378.601
	Payables to group enterprises	2.334.193	1.081.958
	Other payables	386.683	0
	Total short term liabilities other than provisions	<u>15.872.931</u>	<u>3.460.559</u>
	Total liabilities other than provisions	<u>15.872.931</u>	<u>3.460.559</u>
	Total equity and liabilities	<u>21.042.195</u>	<u>9.858.680</u>
5	Charges and security		
6	Contingencies		
7	Related parties		

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Other financial costs		
Other financial costs	1.536.236	1.138.937
	<u>1.536.236</u>	<u>1.138.937</u>
2. Equity investments in group enterprises		
Cost 1 January 2020	97.044.445	20.042.952
Additions during the year	1.589.251	77.001.492
Disposals during the year	-5.025.308	0
Cost 31 December 2020	<u>93.608.388</u>	<u>97.044.444</u>
Writedown, opening balance 1 January 2020	-97.044.445	-20.042.952
Writedown during the year	3.436.057	-77.001.492
Writedown 31 December 2020	<u>-93.608.388</u>	<u>-97.044.444</u>
Carrying amount, 31 December 2020	<u>0</u>	<u>0</u>
3. Contributed capital		
Contributed capital 1 January 2020	1.248.579	1.248.579
	<u>1.248.579</u>	<u>1.248.579</u>
4. Retained earnings		
Retained earnings 1 January 2020	5.149.541	6.278.857
Retained earnings for the year	-7.159.943	-2.247.807
Cash capital increase	5.931.087	1.118.492
	<u>3.920.685</u>	<u>5.149.542</u>
5. Charges and security		
Reputation Institute Holding A/S will financial support its subsidiaries through the financial year 2021.		

Notes

All amounts in DKK.

5. Charges and security (continued)

Reputation Institute Holding A/S has provided guarantees for the bank commitments of Reputation Institute, Inc.

6. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

7. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of RepTrak Holdings Inc, 399 Boylston Street, Floor 7, Boston MA02116, USA.