
Monsido ApS

Borupvang 3, DK-2750 Ballerup

Annual Report for 1 January - 31 December 2021

CVR No 33 86 23 77

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
5 /8 2022

Jannik Ritter Grøntved
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Monsido ApS 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ballerup, 5 August 2022

Executive Board

Jannik Ritter Grøntved
CEO

Board of Directors

Jannik Ritter Grøntved

Brian John Rempe

Rex Alan Tessendorf

Independent Auditor's Report

To the Shareholders of Monsido ApS

Opinion

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.

We have audited the Financial Statements of Monsido ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 misstate-

Independent Auditor's Report

ment, 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.

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.
- 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

Independent Auditor's Report

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.

Hellerup, 5 August 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Blichfeldt Henriksen

state authorised public accountant

mne46065

Company Information

The Company

Monsido ApS
Borupvang 3
DK-2750 Ballerup
E-mail: info@monsido.com

CVR No: 33 86 23 77

Financial period: 1 January - 31 December

Municipality of reg. office: Ballerup

Board of Directors

Jannik Ritter Grøntved
Brian John Rempe
Rex Alan Tessendorf

Executive Board

Jannik Ritter Grøntved

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The Company's key activity is to conduct business related to web optimisation and hereby related business.

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 19,740,267, and at 31 December 2021 the balance sheet of the Company shows negative equity of DKK 2,504,950.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		7,866,610	2,436,002
Staff expenses	2	-26,786,617	-17,553,994
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-270,269	-146,044
Profit/loss before financial income and expenses	3	-19,190,276	-15,264,036
Income from investments in subsidiaries		0	24,699,349
Financial income	4	0	625,917
Financial expenses	5	-549,991	-2,538,842
Profit/loss before tax		-19,740,267	7,522,388
Tax on profit/loss for the year	6	0	121,854
Net profit/loss for the year		-19,740,267	7,644,242

Distribution of profit

Proposed distribution of profit

Retained earnings		-19,740,267	7,644,242
		-19,740,267	7,644,242

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		0	236,402
Property, plant and equipment	7	0	236,402
Investments in subsidiaries	8	101,296	101,296
Deposits		215,940	215,940
Fixed asset investments		317,236	317,236
Fixed assets		317,236	553,638
Trade receivables		2,239,473	693,629
Receivables from group enterprises		1,441,926	19,852,964
Other receivables		0	126,345
Corporation tax		0	239,714
Prepayments		693,218	771,787
Receivables		4,374,617	21,684,439
Cash at bank and in hand		415,808	1,225,320
Currents assets		4,790,425	22,909,759
Assets		5,107,661	23,463,397

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		110,182	110,182
Retained earnings		-2,615,132	17,125,135
Equity		-2,504,950	17,235,317
Other payables		1,506,506	1,484,242
Long-term debt	9	1,506,506	1,484,242
Trade payables		51,900	255,285
Payables to group enterprises		0	258,179
Other payables	9	2,839,242	2,838,417
Deferred income		3,214,963	1,391,957
Short-term debt		6,106,105	4,743,838
Debt		7,612,611	6,228,080
Liabilities and equity		5,107,661	23,463,397
Going concern	1		
Contingent assets, liabilities and other financial obligations	10		
Accounting Policies	11		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	110,182	17,125,135	17,235,317
Net profit/loss for the year	0	-19,740,267	-19,740,267
Equity at 31 December	110,182	-2,615,132	-2,504,950

Notes to the Financial Statements

1 Going concern

The Company is part of the Optimere Group with the ultimate parent located in the USA. The Company's main activity is to maintain and develop the software solution behind the Monsido subscription service and is therefore strategically critical for the operations of the Group. The Group's majority owner is a well funded private equity fund.

Monsido ApS has received a support letter from the group which states the group will support Monsido ApS financially in the form of a loan to the extent necessary to finance their operating activities and other extraordinary expenses.

Management assesses that the group has the necessary financial resources available and that the support letter is valid.

Based hereon, Management considers Monsido ApS as a going concern and has prepared the Financial Statements on this assumption.

	<u>2021</u> DKK	<u>2020</u> DKK
2 Staff expenses		
Wages and salaries	24,818,156	16,438,985
Pensions	1,893,166	986,234
Other social security expenses	<u>75,295</u>	<u>128,775</u>
	<u>26,786,617</u>	<u>17,553,994</u>
Average number of employees	<u>43</u>	<u>29</u>
3 Special items		
Income from sale of Monsido Inc.	<u>0</u>	<u>24,699,349</u>
	<u>0</u>	<u>24,699,349</u>
4 Financial income		
Interest received from group enterprises	<u>0</u>	<u>625,917</u>
	<u>0</u>	<u>625,917</u>

Notes to the Financial Statements

5 Financial expenses

Interest paid to group enterprises	0	4,735
Other financial expenses	18,536	113,773
Exchange adjustments	531,455	2,420,334
	<u>549,991</u>	<u>2,538,842</u>

6 Tax on profit/loss for the year

Current tax for the year	0	-239,714
Adjustment of tax concerning previous years	0	117,860
	<u>0</u>	<u>-121,854</u>

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	491,436
Additions for the year	<u>33,867</u>
Cost at 31 December	<u>525,303</u>
Impairment losses and depreciation at 1 January	255,034
Depreciation for the year	<u>270,269</u>
Impairment losses and depreciation at 31 December	<u>525,303</u>
Carrying amount at 31 December	<u>0</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
8 Investments in subsidiaries		
Cost at 1 January	101,296	101,297
Disposals for the year	0	-1
Carrying amount at 31 December	101,296	101,296

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021 DKK	2020 DKK
Other payables		
Between 1 and 5 years	1,506,506	1,484,242
Long-term part	1,506,506	1,484,242
Other short-term payables	2,839,242	2,838,417
	4,345,748	4,322,659

10 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rental and lease obligations under operating leases. Total future rental and lease payments:

Within 1 year	485,948	333,627
	485,948	333,627

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Monsido ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

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

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

Notes to the Financial Statements

11 Accounting Policies (continued)

Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

11 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3	years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

11 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

11 Accounting Policies (continued)

Deferred income

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