

Monsido ApS

Borupvang 3, 2750 Ballerup

Company reg. no. 33 86 23 77

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 4 August 2023.

Cole Howard Cheever
Chairman of the meeting

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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 DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Monsido ApS for the financial year 1 January - 31 December 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.

Ballerup, 4 August 2023

Managing Director

Cole Howard Cheever

Board of directors

Rex Alan Tessendorf

Brian John Rempe

Cole Howard Cheever

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 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.

We have audited the Financial Statements of Monsido ApS 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 ("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 Financial 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.

Independent auditor's report

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.

As part of an audit conducted in accordance with ISAs 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 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.

Independent auditor's report

- 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.

Hellerup, 4 August 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mads Blichfeldt Fjord

State Authorised Public Accountant
mne46065

Company information

The company	Monsido ApS Borupvang 3 2750 Ballerup
	E mail info@monsido.com
	Company reg. no. 33 86 23 77
	Domicile: Ballerup
	Financial year: 1 January - 31 December
Board of directors	Rex Alan Tessororf Brian John Rempe Cole Howard Cheever
Managing Director	Cole Howard Cheever
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Parent company	MNSD Holdco LLC

Management's review

Description of key activities of the company

Like previous years, the activities are to conduct business related to web optimisation and hereby related business.

Development in activities and financial matters

The gross loss for the year totals DKK -4.217.639 against DKK 7.866.610 last year. Income or loss from ordinary activities after tax totals DKK -45.448.334 against DKK -19.740.267 last year.

Financial resources

The company is part of the CivicPlus 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. Reference is also made to note 1 in the annual report.

Events occurring after the end of the financial year

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

Accounting policies

The annual report for Monsido ApS 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 last year, and the annual report is presented in DKK.

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, write-downs 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.

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.

Accounting policies

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 the revenue and other external expenses.

Revenues from 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 of the balance sheet date can be measured reliably, and it is probable that 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 sale.

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

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

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Accounting policies

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down 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.

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

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3 years	0 %

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

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. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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.

Accounting policies

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

Deferred income

Payments received concerning future income are recognised under deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	-4.217.639	7.866.610
2 Staff costs	-33.425.150	-26.786.616
Depreciation and impairment of non-current assets	-36.738	-270.269
Other operating expenses	-7.241.123	0
Profit before net financials	-44.920.650	-19.190.275
Other financial expenses	-527.684	-549.992
Net profit or loss for the year	-45.448.334	-19.740.267
 Proposed distribution of net profit:		
Allocated from retained earnings	-45.448.334	-19.740.267
Total allocations and transfers	-45.448.334	-19.740.267

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
3 Other fixtures, fittings, tools and equipment	152.200	0
Total property, plant, and equipment	<u>152.200</u>	<u>0</u>
4 Investments in group enterprises	101.296	101.296
5 Deposits	<u>215.940</u>	<u>215.940</u>
Total investments	<u>317.236</u>	<u>317.236</u>
Total non-current assets	<u>469.436</u>	<u>317.236</u>
Current assets		
Trade receivables	1.310.335	2.239.473
Receivables from group enterprises	778.250	1.441.926
Other receivables	67.692	0
Prepayments	<u>560.081</u>	<u>693.218</u>
Total receivables	<u>2.716.358</u>	<u>4.374.617</u>
Cash and cash equivalents	<u>2.486.725</u>	<u>415.807</u>
Total current assets	<u>5.203.083</u>	<u>4.790.424</u>
Total assets	<u>5.672.519</u>	<u>5.107.660</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		<u>2022</u>	<u>2021</u>
<u>Note</u>			
Equity			
	Contributed capital	110.182	110.182
	Retained earnings	-48.063.466	-2.615.132
	Total equity	-47.953.284	-2.504.950
Liabilities other than provisions			
6	Other payables	2.786.583	1.506.506
	Total long term liabilities other than provisions	2.786.583	1.506.506
	Trade payables	41.887	51.900
	Payables to group enterprises	41.566.375	0
	Other payables	6.286.356	2.839.241
	Deferred income	2.944.602	3.214.963
	Total short term liabilities other than provisions	50.839.220	6.106.104
	Total liabilities other than provisions	53.625.803	7.612.610
	Total equity and liabilities	5.672.519	5.107.660
1	Uncertainties relating to going concern		
7	Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	110.182	-2.615.132	-2.504.950
Retained earnings for the year	<u>0</u>	<u>-45.448.334</u>	<u>-45.448.334</u>
	<u>110.182</u>	<u>-48.063.466</u>	<u>-47.953.284</u>

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

The company is part of the CivicPlus 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.

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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>2022</u>	<u>2021</u>
2. Staff costs		
Salaries and wages	31.401.485	24.818.156
Pension costs	1.913.327	1.893.165
Other costs for social security	110.338	75.295
	<u>33.425.150</u>	<u>26.786.616</u>
Average number of employees	<u>49</u>	<u>43</u>
3. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	525.303	491.436
Additions during the year	188.938	33.867
Cost 31 December 2022	<u>714.241</u>	<u>525.303</u>
Depreciation and write-down 1 January 2022	-525.303	-255.034
Amortisation and depreciation for the year	-36.738	-270.269
Depreciation and write-down 31 December 2022	<u>-562.041</u>	<u>-525.303</u>
Carrying amount, 31 December 2022	<u>152.200</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
4. Investments in group enterprises		
Cost 1 January 2022	<u>101.296</u>	<u>101.296</u>
Carrying amount, 31 December 2022	<u>101.296</u>	<u>101.296</u>
5. Deposits		
Cost 1 January 2022	<u>215.940</u>	<u>215.940</u>
Cost 31 December 2022	<u>215.940</u>	<u>215.940</u>
Carrying amount, 31 December 2022	<u>215.940</u>	<u>215.940</u>
6. Other payables		
Total other payables	2.786.583	1.506.506
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total other payables	<u>2.786.583</u>	<u>1.506.506</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
7. Contingencies		
Contingent liabilities		
		31/12 2022
		DKK in
		thousands
Leasing liabilities within 1 year		<u>882</u>
Total contingent liabilities		<u>882</u>