

Reflectly ApS

Njalsgade 19 D
2300 København S
Business Registration No
38854992

Annual report 15.08.2017 - 31.12.2018

The Annual General Meeting adopted the annual report on 28.05.2019

Chairman of the General Meeting

Name: Jakob Brøgger-Mikkelsen

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Entity details

Entity

Reflectly ApS
Njalsgade 19 D
2300 København S

Central Business Registration No (CVR): 38854992
Registered in: København
Financial year: 15.08.2017 - 31.12.2018

Board of Directors

Jakob Brøgger-Mikkelsen
Jacob Harboe Kristensen

Executive Board

Jakob Brøgger-Mikkelsen
Jacob Harboe Kristensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Reflectly ApS for the financial year 15.08.2017 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 15.08.2017 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 28.05.2019

Executive Board

Jakob Brøgger-Mikkelsen

Jacob Harboe Kristensen

Board of Directors

Jakob Brøgger-Mikkelsen

Jacob Harboe Kristensen

The independent auditor's compilation report

To the Management of Reflectly ApS

We have compiled the financial statements of Reflectly ApS for the financial year 15.08.2017 - 31.12.2018 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

København, 28.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Primary activities

The Company's primary activities revolve around the development and growth of their platform Reflectly – the world's first intelligent journal. Reflectly is dedicated to making reflection a daily self-care habit, effectively helping each individual to improve their understanding and relationship with themselves. Users of the platform also obtain the ability to purchase a premium subscription which allows them to access statistics and gain personal insights into their own wellbeing and lives.

Development in activities and finances

Reflectly has throughout 2017 and 2018 focused on developing their product, which is reflected in the company's loss amounting to DKK 1.614K. This is the company's first accounting period, and therefore the result is as expected. The company expects increased activity growth in 2019, with increased in both gross margin and total net cash flow from operations and investments.

The company's equity is amounting to DKK 3.686K.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017/18

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>
Gross profit/loss		(1.714.398)
Staff costs	1	(268.211)
Depreciation, amortisation and impairment losses	2	<u>(69.379)</u>
Operating profit/loss		(2.051.988)
Profit/loss before tax		(2.051.988)
Tax on profit/loss for the year	3	<u>438.000</u>
Profit/loss for the year		<u>(1.613.988)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(1.613.988)</u>
		<u>(1.613.988)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2017/18 DKK</u>
Completed development projects		624.407
Intangible assets	4	624.407
Receivables from owners and management		50.000
Deferred tax		438.000
Fixed asset investments	5	488.000
Fixed assets		1.112.407
Trade receivables		315.572
Other receivables		64.303
Receivables		379.875
Cash		3.310.285
Current assets		3.690.160
Assets		4.802.567

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2017/18</u> <u>DKK</u>
Contributed capital		67.902
Reserve for development expenditure		487.037
Retained earnings		<u>3.131.073</u>
Equity		<u>3.686.012</u>
Prepayments received from customers		1.083.486
Other payables		<u>33.069</u>
Current liabilities other than provisions		<u>1.116.555</u>
Liabilities other than provisions		<u>1.116.555</u>
Equity and liabilities		<u>4.802.567</u>

Statement of changes in equity for 2017/18

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK
Contributed upon formation	50.000	0	0
Increase of capital	17.902	5.482.098	0
Transferred from share premium	0	(5.482.098)	0
Purchase of treasury shares	0	0	0
Transfer to reserves	0	0	487.037
Profit/loss for the year	0	0	0
Equity end of year	67.902	0	487.037

	Retained earnings DKK	Total DKK
Contributed upon formation	0	50.000
Increase of capital	0	5.500.000
Transferred from share premium	5.482.098	0
Purchase of treasury shares	(250.000)	(250.000)
Transfer to reserves	(487.037)	0
Profit/loss for the year	(1.613.988)	(1.613.988)
Equity end of year	3.131.073	3.686.012

Notes

	2017/18
	DKK
1. Staff costs	
Wages and salaries	268.211
	268.211
 Average number of employees	 5
	2017/18
	DKK
2. Depreciation, amortisation and impairment losses	
Amortisation of intangible assets	69.379
	69.379
	2017/18
	DKK
3. Tax on profit/loss for the year	
Change in deferred tax	(438.000)
	(438.000)
	Completed develop- ment projects DKK
4. Intangible assets	
Additions	693.786
Cost end of year	693.786
Amortisation for the year	(69.379)
Amortisation and impairment losses end of year	(69.379)
Carrying amount end of year	624.407

Completed development projects relates to an online application, which is applicable for the company's customers. The application is continuously developed by the company.

With reference to the Danish Act of Commercial Enterprises' Presentation of Financial Statements §83 (2), the deferred tax is deducted to the activated cost of development.

Notes

	Receivables from owners and managemen t DKK	Deferred tax DKK
5. Fixed asset investments		
Additions	50.000	438.000
Cost end of year	50.000	438.000
 Carrying amount end of year	 50.000	 438.000

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales, and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises development costs consumed in the financial year.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income

Accounting policies

statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.