



Reflective Technologies ApS

True Møllevej 7
8381 Tilst
CVR No. 38854992

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Jakob Brøgger-Mikkelsen
Chairman of the General Meeting

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Entity details

Entity

Reflective Technologies ApS

True Møllevvej 7

8381 Tilst

Business Registration No.: 38854992

Registered office: Aarhus

Financial year: 01.01.2023 - 31.12.2023

Executive Board

Jakob Brøgger-Mikkelsen, CEO

Jacob Harboe Kristensen, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Reflective Technologies ApS for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

Aarhus, 28.06.2024

Executive Board

Jakob Brøgger-Mikkelsen
CEO

Jacob Harboe Kristensen
director

Independent auditor's report

To the shareholders of Reflective Technologies ApS

Opinion

We have audited the financial statements of Reflective Technologies ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

Management commentary

Primary activities

The Company's primary activities revolve around buying and building consumer subscription apps within the segments of mental health, productivity and personal finance. The company is dedicated to helping consumers take back control of their digital wellbeing, effectively helping each individual to improve their understanding and relationship with themselves. Apart from being able to subscribe individually to each app - unlocking premium features for that given app - users are also offered one single subscription that grants premium access to all apps that the company offers, through its app bundle "The Growth Bundle".

The company has throughout 2023 doubled down on acquiring, integrating, and developing consumer subscription apps to solidify the long-term value of the Growth Bundle strategy, which is reflected in the company's loss amounting to DKK 15,095 thousand. This year, the company made its largest acquisition to date with the leading meditation app in the Nordics, The Mindfulness App. The company launched growthbundle.com in late 2022 and has been scaling it up throughout 2023.

The company expects increased activity growth in 2024, with increase in both gross margin and total net cash flow from operations and investments.

The company's equity as of 31st December 2023 is amounting to DKK 31,893 thousand.

Unusual circumstances affecting recognition and measurement

The value of the recognized development projects and acquired intangible assets depends on the Company's ability to continue developing the apps the company uses in its operations, as well as attracting enough customers, who through the apps generate positive earnings that could yield the total investment. The management believes that the company will succeed in doing so in the coming years.

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 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss	2	14,177,305	9,941,592
Staff costs	3	(4,052,999)	(4,785,206)
Depreciation, amortisation and impairment losses	4	(12,992,523)	(9,530,854)
Operating profit/loss		(2,868,217)	(4,374,468)
Income from investments in group enterprises		(7,789,129)	382,229
Other financial income	5	141,232	40,290
Impairment losses on financial assets		0	(100,000)
Other financial expenses	6	(4,626,922)	(3,377,960)
Profit/loss before tax		(15,143,036)	(7,429,909)
Tax on profit/loss for the year	7	47,386	139,024
Profit/loss for the year		(15,095,650)	(7,290,885)
Proposed distribution of profit and loss			
Retained earnings		(15,095,650)	(7,290,885)
Proposed distribution of profit and loss		(15,095,650)	(7,290,885)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	9	10,234,916	8,634,087
Acquired intangible assets		29,850,673	37,307,471
Intangible assets	8	40,085,589	45,941,558
Investments in group enterprises		30,310,410	793,791
Receivables from group enterprises		25,985	519,070
Other investments		0	0
Financial assets	10	30,336,395	1,312,861
Fixed assets		70,421,984	47,254,419
Trade receivables		3,627,512	2,428,321
Receivables from group enterprises		168,439	0
Other receivables		91,868	94,074
Joint taxation contribution receivable		47,386	139,024
Prepayments		5,913	103,290
Receivables		3,941,118	2,764,709
Cash		699,027	1,296,748
Current assets		4,640,145	4,061,457
Assets		75,062,129	51,315,876

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	11	94,818	77,908
Reserve for net revaluation according to the equity method		753,791	753,791
Reserve for development expenditure		8,634,087	8,634,087
Retained earnings		22,409,833	(27,410)
Equity		31,892,529	9,438,376
Payables to group enterprises		1,459,107	0
Other payables		33,607,281	34,116,375
Non-current liabilities other than provisions	12	35,066,388	34,116,375
Current portion of non-current liabilities other than provisions	12	4,384,064	0
Bank loans		264,858	65,253
Trade payables		837,105	997,647
Income tax payable		16	0
Other payables		2,617,169	6,698,225
Current liabilities other than provisions		8,103,212	7,761,125
Liabilities other than provisions		43,169,600	41,877,500
Equity and liabilities		75,062,129	51,315,876
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	13		
Assets charged and collateral	14		

Statement of changes in equity for 2023

	Contributed capital DKK	Share premium DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	77,908	0	753,791	8,634,087	(27,410)
Increase of capital	6,962	15,452,632	0	0	0
Capital increase by debt conversion	9,948	22,080,261	0	0	0
Transferred from share premium	0	(37,532,893)	0	0	37,532,893
Profit/loss for the year	0	0	0	0	(15,095,650)
Equity end of year	94,818	0	753,791	8,634,087	22,409,833

	Total DKK
Equity beginning of year	9,438,376
Increase of capital	15,459,594
Capital increase by debt conversion	22,090,209
Transferred from share premium	0
Profit/loss for the year	(15,095,650)
Equity end of year	31,892,529

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors are authorised for the period until 15 November 2029 once or several times to increase the Company's share capital with up to nominally 1.757 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors are authorised for the period until 23 July 2031 once or several times to increase the Company's share capital with up to nominally 234 shares in the total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Notes

1 Uncertainty relating to recognition and measurement

The value of the recognized development projects and acquired intangible assets depends on the Company's ability to continue developing the apps the company uses in its operations, as well as attracting enough customers, who through the apps generate positive earnings that could yield the total investment. The management believes that the company will succeed in doing so in the coming years.

2 Gross profit/loss

Gross profit includes:

Own work capitalised for DKK 1.629 thousand (2022: DKK 894).

3 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	3,667,895	4,356,066
Other social security costs	24,776	39,762
Other staff costs	360,328	389,378
	4,052,999	4,785,206
Average number of full-time employees	4	3

4 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	12,992,523	9,530,854
	12,992,523	9,530,854

5 Other financial income

	2023	2022
	DKK	DKK
Financial income from group enterprises	4,508	40,290
Other interest income	15,379	0
Exchange rate adjustments	121,345	0
	141,232	40,290

6 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	4,275,707	245,556
Exchange rate adjustments	0	1,884,544
Other financial expenses	351,215	1,247,860
	4,626,922	3,377,960

7 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Refund in joint taxation arrangement	(47,386)	(139,024)
	(47,386)	(139,024)

8 Intangible assets

	Completed development projects	Acquired intangible assets
	DKK	DKK
Cost beginning of year	14,074,556	48,048,969
Additions	4,829,290	2,307,264
Cost end of year	18,903,846	50,356,233
Amortisation and impairment losses beginning of year	(5,440,469)	(10,741,498)
Amortisation for the year	(3,228,461)	(9,764,062)
Amortisation and impairment losses end of year	(8,668,930)	(20,505,560)
Carrying amount end of year	10,234,916	29,850,673

Acquired intangible assets consists of online applications, which is applicable for the Company's customers. The newly acquired online applications are additions to the Company's own developed application.

9 Development projects

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

10 Financial assets

	Investments in group enterprises DKK	Other investments DKK
Cost beginning of year	40,000	100,000
Additions	43,260,002	0
Cost end of year	43,300,002	100,000
Revaluations beginning of year	753,791	0
Share of profit/loss for the year	61,546	0
Revaluations end of year	815,337	0
Impairment losses beginning of year	0	(100,000)
Amortisation of goodwill	(4,522,634)	0
Share of profit/loss for the year	(3,048,041)	0
Dividend	(6,302,074)	0
Fair value adjustments	69,824	0
Other adjustments	(2,004)	0
Impairment losses end of year	(13,804,929)	(100,000)
Carrying amount end of year	30,310,410	0

The bookvalue of goodwill amounts to DKK 29,397 thousand.

Investments in subsidiaries	Registered in	Equity interest %
Reflective Labs ApS	Copenhagen	100.00
Mindapps AB	Stockholm	100.00

11 Share capital

	Number	Par value DKK	Nominal value DKK
A-stock	92,523	1	92,523
B-stock	2,295	1	2,292
	94,818		94,815

12 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due after more than 12 months 2023 DKK
Payables to group enterprises	0	1,459,107
Other payables	4,384,064	33,607,281
	4,384,064	35,066,388

There are no long-term liabilities that are due five years after the balance sheet date

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Common Sense Capital ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

14 Assets charged and collateral

As security for debt obtained from Ark Capital, a company charge amounting to DKK 37,265 thousand has been provided. The security includes goodwill, intangible assets, operating equipment and fixtures and trade receivables. The carrying amount is DKK 33,478 thousand.

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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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 net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed. External licenses are classified as on-premises software where the customer is

provided with a right to use the software as it exists when made available to the customer. Revenue from distinct on-premise licenses is recognized upfront at the point in time when the software is made available to the customer and the right to use the software has commenced.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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, and 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, and gains and losses from the sale of intangible assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including payables and transactions in foreign currencies.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed and in progress 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 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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration which in the outset are 5 years, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.