

Legal Monster ApS

Danneskiold-Samsøes Allé 41, 1434 København K

CVR no. 39 58 74 08

**Annual report for the period
18 May to 31 December 2018**

Adopted at the annual general meeting on 15. maj
2019

Niklas Ian Stephenson
chairman



Table of contents

Page

Statements

Statement by management on the annual report

1

Independent auditor's report

2

Management's review

Company details

5

Management's review

6

Financial statements

Income statement 18 May - 31 December

7

Balance sheet 31 December

8

Statement of changes in equity

10

Notes to the annual report

11

Accounting policies

12

Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Legal Monster ApS for the financial year 18 May - 31 December 2018.

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 company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 18 May - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 15. maj 2019

Executive board

Niklas Ian Stephenson

Søren Laust Finnemann Viuff

Supervisory board

Jan Bülow
chairman

Jan Nicolaas Andriessen

Helle Lund Uth

Søren Laust Finnemann Viuff

Independent auditor's report

To the shareholders of Legal Monster ApS

Opinion

We have audited the financial statements of Legal Monster ApS for the financial year 18 May - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 18 May - 31 December 2018 in accordance with the Danish Financial Statements Act.

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' Code of Ethics for Professional Accountants (IESBA Code) 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.

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 the 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

Independent auditor's report

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, we conclude that 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 of management's review.

Copenhagen, 15. maj 2019

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Morten Friis Munksgaard
statsautoriseret revisor
MNE no. mne34482

Company details

The company	Legal Monster ApS Danneskiold-Samsøes Allé 41 1434 København K CVR no.: 39 58 74 08 Reporting period: 18 May - 31 December 2018 Incorporated: 18. maj 2018 Domicile: Copenhagen
Supervisory board	Jan Bülow, chairman Jan Nicolaas Andriessen Helle Lund Uth Søren Laust Finnemann Viuff
Executive board	Niklas Ian Stephenson Søren Laust Finnemann Viuff
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business activities

The Company's main activity is development and sales of software systems.

Business review

The company's income statement for the year ended 31 December shows a loss of DKK 346.900, and the balance sheet at 31 December 2018 shows equity of DKK 4.354.960.

On the 20th of December 2018, we raised DKK 4.351.860,00 in venture funding from PreSeed Ventures A/S, SEED Capital Denmark III K/S and a set of private angel investors. The investment was expanded on the 17th of January 2019 by a further investment of DKK 3.700.620,00 from henQ III Fund B.V. and two angel investors. This brings the total investment to DKK 8.052.480,00.

On the basis of these investments, we have created a strong foundation for the further development of Legal Monster ApS

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 18 May - 31 December

	Note	2018 kr. (8 mdr.)
Gross profit		-142.671
Staff costs	1	-288.118
Profit/loss before net financials		-430.789
Financial costs		-19
Profit/loss before tax		-430.808
Tax on profit/loss for the year	2	83.908
Profit/loss for the year		-346.900
 Recommended appropriation of profit/loss		
Retained earnings		-346.900
		-346.900

Balance sheet 31 December

	Note	2018 DKK
Assets		
Deposits		24.000
Fixed asset investments		24.000
Total non-current assets		24.000
Other receivables		10.560
Corporation tax		83.908
Receivables		94.468
Cash at bank and in hand		4.351.449
Total current assets		4.445.917
Total assets		4.469.917

Balance sheet 31 December

	<u>Note</u>	<u>2018</u> DKK
Equity and liabilities		
Share capital		58.637
Retained earnings		4.296.323
Equity		<u>4.354.960</u>
Trade payables		34.339
Other payables		68.618
Deposits		12.000
Total current liabilities		<u>114.957</u>
Total liabilities		<u>114.957</u>
Total equity and liabilities		<u><u>4.469.917</u></u>
Contingencies, etc.	3	

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 18 May	50.000	50.000	0	100.000
Cash capital increase	8.059	4.343.801	0	4.351.860
Capital increase by debt conversion	578	249.422	0	250.000
Net profit/loss for the year	0	0	-346.900	-346.900
Transfer from share premium account	0	-4.643.223	4.643.223	0
Equity at 31 December	58.637	0	4.296.323	4.354.960

Notes

	2018
	kr. (8 mdr.)
1 Staff costs	
Wages and salaries	272.108
Pensions	6.000
Other social security costs	1.325
Other staff costs	8.685
	<u>288.118</u>
	<u><u>288.118</u></u>
Average number of employees	<u>1</u>
	<u><u>1</u></u>
2 Tax on profit/loss for the year	
Current tax for the year	-83.908
	<u>-83.908</u>
	<u><u>-83.908</u></u>
3 Contingencies, etc.	
The company has entered into rent commitments for DKK 12k.	

Accounting policies

The annual report of Legal Monster ApS for 2018 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 provisions as regards larger entities.

The annual report for 2018 is presented in DKK

As 2018 is the company's first reporting period, no comparatives have been presented.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other external expenses.

Accounting policies

Revenue

Income from the sale is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other external costs

Other external costs include expenses related to sale, advertising, administration etc.

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

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.