GolfBox A/S

Sensommervej 34 F, DK-8600 Silkeborg

Annual Report for 1 May 2018 - 30 June 2019

CVR No 27 23 47 04

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 19/12 2019

Aage Færgemann
Chairman of the General Meeting

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Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GolfBox A/S for the financial year 1 May 2018 - 30 June 2019.

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 30 June 2019 of the Company and of the results of the Company operations for 2018/19.

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

Silkeborg, 19 December 2019

Executive Board

Christian Øllgaard Færgemann
CEO

Board of Directors

Richard William Holzgreff Chairman	Patrick William Howard	Andrew David Ritter

Independent Auditor's Report

To the Shareholder of GolfBox A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2019 and of the results of the Company's operations for the financial year 1 May 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of GolfBox A/S for the financial year 1 May 2018 - 30 June 2019, 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' 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 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 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 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.

Aarhus, 19 December 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Trangeled Kristensen
statsautoriseret revisor
mne23333

Company Information

The Company	GolfBox A/S Sensommervej 34 F DK-8600 Silkeborg CVR No: 27 23 47 04 Financial period: 1 May - 30 June Municipality of reg. office: Silkeborg
Board of Directors	Richard William Holzgreff, Chairman Patrick William Howard Andrew David Ritter
Executive Board	Christian Øllgaard Færgemann
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2018/19 TDKK	2017/18 TDKK	2016/17 TDKK	2015/16 TDKK	2014/15 TDKK
Key figures					
Profit/loss					
Gross profit/loss	17.894	14.979	12.974	11.624	10.534
Operating profit/loss	3.130	3.868	0	0	0
Profit/loss before financial income and expenses	3.130	3.868	5.334	4.610	3.798
Net financials	272	12	-18	1	-26
Net profit/loss for the year	2.664	3.026	4.144	3.595	2.911
Balance sheet					
Balance sheet total	21.460	25.022	21.847	19.678	16.732
Equity	11.142	14.478	14.112	12.468	9.873
Number of employees	18	16	18	19	21
Ratios					
Return on assets	14,6%	15,5%	24,4%	23,4%	22,7%
Solvency ratio	51,9%	57,9%	64,6%	63,4%	59,0%
Return on equity	20,8%	21,2%	31,2%	32,2%	29,4%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

In connection with the adjustment of significant misstatements related to prior years, the comparative figures from 2016/17 and back to 2014/15 have not been restated. See the description under accounting policies.

Income Statement
1 May 2018 - 30 June 2019

	Note	2018/19 14 Months DKK	2017/18 12 Months DKK
Gross profit/loss		**17.894.379**	**14.979.110**
Staff expenses	2	-11.822.731	-8.816.056
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-2.941.250	-2.295.000
Profit/loss before financial income and expenses		**3.130.398**	**3.868.054**
Financial income	4	300.338	52.200
Financial expenses		-28.743	-40.204
Profit/loss before tax		**3.401.993**	**3.880.050**
Tax on profit/loss for the year	5	-737.930	-854.332
Net profit/loss for the year		**2.664.063**	**3.025.718**

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	6.000.000
Retained earnings	2.664.063	-2.974.282
	2.664.063	**3.025.718**

Balance Sheet 30 June 2019

Assets

	Note	30/6 2019	30/4 2018
		DKK	DKK
Completed development projects		17.603.750	13.120.000
Development projects in progress		0	2.925.000
Intangible assets	6	**17.603.750**	**16.045.000**
Deposits		69.491	60.330
Fixed asset investments		**69.491**	**60.330**
Fixed assets		**17.673.241**	**16.105.330**
Trade receivables		369.490	2.461.606
Receivables from group enterprises		2.540.940	1.889.411
Other receivables		10.717	1.606
Corporation tax		861.833	171.281
Receivables		**3.782.980**	**4.523.904**
Cash at bank and in hand		**3.547**	**4.392.920**
Currents assets		**3.786.527**	**8.916.824**
Assets		**21.459.768**	**25.022.154**

Balance Sheet 30 June 2019

Liabilities and equity

	Note	30/6 2019	30/4 2018
		DKK	DKK
Share capital		1.445.020	1.445.020
Reserve for development costs		7.327.775	4.352.400
Retained earnings		2.369.474	2.680.785
Proposed dividend for the year		0	6.000.000
Equity		**11.142.269**	**14.478.205**
Provision for deferred tax	7	3.782.142	3.505.926
Provisions		**3.782.142**	**3.505.926**
Credit institutions		707.429	0
Trade payables		148.965	77.664
Other payables		1.721.963	1.745.359
Deferred income		3.957.000	5.215.000
Short-term debt		**6.535.357**	**7.038.023**
Debt		**6.535.357**	**7.038.023**
Liabilities and equity		**21.459.768**	**25.022.154**
Key activities	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 May 2018	1.445.020	4.352.400	6.742.270	6.000.000	18.539.690
Net effect of correction of material misstatements	0	0	-4.061.484	0	-4.061.484
Adjusted equity at 1 May 2018	1.445.020	4.352.400	2.680.786	6.000.000	14.478.206
Ordinary dividend paid	0	0	0	-6.000.000	-6.000.000
Development costs for the year	0	2.975.375	-2.975.375	0	0
Net profit/loss for the year	0	0	2.664.063	0	2.664.063
Equity at 30 June 2019	**1.445.020**	**7.327.775**	**2.369.474**	**0**	**11.142.269**

Notes to the Financial Statements

1 Key activities

Like in previous years, the principal activity has been the development and sale of software to golf clubs and golf unions worldwide. Functionality, hosting and technology are continuously improved, so thequality of the overall solution continually is on a very high level.

The products are primarily sold in Denmark and other countries in Northern Europe.

	2018/19 14 Months DKK	2017/18 12 Months DKK
2 Staff expenses		
Wages and salaries	11.563.967	8.594.630
Other social security expenses	155.002	108.978
Other staff expenses	103.762	112.448
	11.822.731	**8.816.056**
Average number of employees	**18**	**16**

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Amortisation of intangible assets	2.941.250	2.295.000
	2.941.250	**2.295.000**

4 Financial income

Interest received from group enterprises	296.800	52.200
Other financial income	3.538	0
	300.338	**52.200**

5 Tax on profit/loss for the year

Current tax for the year	461.714	717.836
Deferred tax for the year	276.216	136.496
	737.930	**854.332**

Notes to the Financial Statements

6 Intangible assets

	Completed development projects	Development projects in progress
	DKK	DKK
Cost at 1 May 2018	28.179.750	2.925.000
Additions for the year	4.500.000	0
Transfers for the year	2.925.000	-2.925.000
Cost at 30 June 2019	35.604.750	0
Impairment losses and amortisation at 1 May 2018	15.059.750	0
Amortisation for the year	2.941.250	0
Impairment losses and amortisation at 30 June 2019	18.001.000	0
Carrying amount at 30 June 2019	**17.603.750**	**0**
Amortised over	10 years	

Development projects relate to the development of new products or updated versions of the company's existing software products. The current projects are expected to be completed on an ongoing base, and are uploaded to customers. Projects are progressing according to plan through the use of the resources allocated by management to the development. The software is expected to be sold or delivered in to the present market to the company's existing customers or new customer's.

7 Provision for deferred tax

	30/6 2019	30/4 2018
	DKK	DKK
Intangible assets	3.800.122	3.529.900
Property, plant and equipment	-17.980	-23.974
	3.782.142	**3.505.926**

Notes to the Financial Statements

		30/6 2019	30/4 2018
		DKK	DKK
8	**Contingent assets, liabilities and other financial obligations**		
	Rental and lease obligations		
	Lease obligations under operating leases. Total future lease payments:		
	Within 1 year	262.000	252.500
		262.000	**252.500**
	Rental liability, termination notice 6 Months	140.000	136.000

9 Related parties

	Basis
Consolidated Financial Statements	
Selskabet indgår i koncernrapporten for moderselskabet	

Name	Place of registered office
MSL Solution Limited	Australia

The Group Annual Report of MSL Solution Limited may be obtained at the following address:

https://mpowermsl.com/financial-reports/

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of GolfBox A/S for 2018/19 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 2018/19 are presented in DKK.

Correction of material misstatements

The calculation of deferred revenue has only included parts of the revenue contracts. Management has assessed that the error related to deferred revenue also existed before 2018/19. Due to the materiality of the error the correction is treated as a material misstatement related to prior years, which impacts equity on the beginning of 2018/19 and with restatement of 2017/18 figurs.

The calculated management and service fee has not been booked. Management has assessed that the error related to management and service fee also existed before 2018/19. Due to the materiality of the error the correction is treated as a material misstatement related to prior years, which impacts equity at the beginning of 2018/19 and with restatement of 2017/18 figurs.

Staff expenses capitalised as development project , has been deducted in staff expenses instead of in Gross profit. Management has assessed that the error related to the wrong presentation also existed before 2018/19. Due to the materiality of the error the 2017/18 figurs has been restated.

The effect on 2017/18 figurs compared with the published Financial Statements of 2017/18 is as follows:

Notes to the Financial Statements

10 Accounting Policies (continued)

	Published Financial Statements 2017/18	Change	Restated Financial Statements 2017/18
	kDKK	kDKK	kDKK
Profit & Loss			
Gross profit/loss	13,852	1,127	14,979
Staff expenses	-5,891	-2,925	-8,816
Tax on profit/loss for the year	-1,250	395	-854
Net profit/loss	4,428	-1,402	3,026
Assets			
Receivables from group companies	3,569	-1,679	1,890
Liabilities and equity			
Corporate tax	974	-1,145	-171
Deferred income	1,687	3,528	5,215
Equity	18,540	-4,062	14,478

Changes in accounting year

The company has changed the accounting year from 1 May - 30 April to 1 July - 30 June so that the accounting year follows the accounting year for the parent company MSL Solutions Limited. The accounting year 2018/19 is therefor 14 months. The comparative figures have not been restated.

Recognition and measurement

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

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

Revenue from the sale of licenses, modifications, hardware and other services is recognised in the profit and loss account when invoiced and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. Accrual is made over the lenght of the contract period regarding services that impose an obligation on the company in terms of hosting and support.

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

Notes to the Financial Statements

10 Accounting Policies (continued)

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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 enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

10 Accounting Policies (continued)

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 years.

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.

Fixed asset investments

Fixed asset investments consist of housing deposits.

Notes to the Financial Statements

10 Accounting Policies (continued)

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.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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.

Notes to the Financial Statements

10 Accounting Policies (continued)

Financial debts

Loans, such as loans from credit institutions, 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.

Deferred income

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

Notes to the Financial Statements

10 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$