

Goodwings ApS

CVR-no. 37 03 67 49

Gammel Kongevej 3 B, st. tv.
1610 København V

Annual Report 2018/19 (Financial year 1 July 2018 - 30 June 2019)

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the 11 December 2019

Morten Rosenmejer
Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 July 2018 - 30 June 2019 for Goodwings ApS.

The Annual Report has been 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 assets and liabilities, financial position and results of operations for the financial year ended 30 June 2019.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

Copenhagen, 11 December 2019

Executive Board:

Christian Møller-Holst

Board of Directors:

Morten Rosenmejer

Nicholas Michael
Hammeken

Thomas Bolvig Amorøe

Nicolas Alexander
Branas Michaelsen

Anders Colding Friis

Morten Ingemann
Hvitved

Independent Auditor's Reports

To the Shareholders of Goodwings ApS

Opinion

We have audited the Financial Statements of Goodwings ApS for the financial year 1 July 2018 - 30 June 2019, which comprise the income statement, balance sheet, notes and 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 financial position of the Company at 30 June 2019 and of the results of the operations for the financial year 1 July 2018 - 30 June 2019, 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 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.

Independent Auditor's Reports (-continued)

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 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.

Independent Auditor's Reports (-continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 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 Statement Acts. We did not identify any material misstatement of Management's Review.

Allerød, 11 December 2019

**Piaster Revisorerne,
statsautoriseret revisionsaktieselskab
CVR. no.: 25 16 00 37**

Steen Dahl Andersen
State Authorized Public Accountant
mne29455

Corporate information

Company details

Goodwings ApS
Gammel Kongevej 3 B, st. tv.
1610 København V

CVR no.: 37 03 67 49
Founded: 17 August 2015
Registered office: Copenhagen
Financial year: 1 July - 30 June

Executive Board

Christian Møller-Holst

Board of Directors

Morten Rosenmejer
Nicholas Michael Hammeken
Thomas Bolvig Amorøe
Nicolas Alexander Branas Michaelsen
Anders Colding Friis
Morten Ingemann Hvitved

Auditor

Piaster Revisorerne,
Statsautoriseret Revisionsaktieselskab
Engholm Parkvej 8
3450 Allerød

Management's Review

Primary activities of the Company

Primary activities have been the further development of the Company's online booking engine along with the further development of the Company's global non-profit partner network including the activation of this network in terms of global client acquisition.

Revenue from increased onboarding of clients has been recognized in fiscal year 2018/19.

Development in activities and financial affairs

The company's financial performance is considered satisfying as it had been contemplated that the fiscal year 2018/19 would be a year of development along with the development and testing of the company's product-market fit.

Outlook 2019/20

Substantial growth in revenue is expected in fiscal year 2019/20 as the Company is significantly acquiring clients through its global partner network.

Development and marketing of the booking site, is progressing according to the management's plan. As the company is in a scale-up phase all profits will go to further development of the business, including getting global coverage, and therefore the management is expecting financial loss for the fiscal year 2019/20.

The company aims to raise additional funding in the fiscal year 2019/20 enabling the Company to further scale-up its global activities.

Significant events occurred after the end of the financial year

Funding was raised from existing investors after the end of the financial year.

Income Statement 1 July - 30 June

DKK	Notes	2018/19	2017/18
Gross profit (loss)		-3.790.198	-1.985.907
Staff costs	1	-7.407.532	-4.723.568
Operating profit		-11.197.730	-6.709.475
Financial expenses		-25.600	-37.052
Profit before tax		-11.223.330	-6.746.527
Tax on profit for the year	2	1.597.472	1.079.542
Profit for the year		-9.625.858	-5.666.985
Proposed distribution of results			
Retained earnings		-9.625.858	-5.666.985
Proposed dividend recognised in equity		0	0
Total distribution		-9.625.858	-5.666.985

Balance Sheet at 30 June

Assets

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Long-term investments in group enterprises		0	2
Other long-term receivables	2	1.613.426	1.079.542
Financial fixed assets		1.613.426	1.079.544
Fixed assets		1.613.426	1.079.544
Trade receivables		90.931	96.954
Short-term tax receivables		1.063.588	1.337.931
Other receivables		2.168.460	1.145.941
Contributed capital in arrears		0	1.703.209
Receivables		3.322.979	4.284.035
Cash and cash equivalents		6.146.219	1.300.911
Current assets		9.469.198	5.584.946
Assets		11.082.624	6.664.490

Balance Sheet at 30 June

Equity and liabilities

	Notes	2019	2018
Share capital		247.699	181.388
Retained earnings		8.392.748	4.673.106
Proposed dividend recognised in equity		0	0
Equity	3	8.640.447	4.854.494
Other long-term payables		42.500	42.500
Long-term liabilities other than provisions	4	42.500	42.500
Prepayments received from customers		576.648	424.826
Trade payables		574.854	414.833
Payables to group enterprises		57.480	46.950
Other payables		1.190.695	880.887
Short-term liabilities other than provisions		2.399.677	1.767.496
Liabilities other than provisions		2.399.677	1.767.496
Equity and liabilities		11.082.624	6.664.490
Contingent liabilities	5		
Assets pledged as security	6		

Notes

	2018/19	2017/18
1 Staff costs		
Wages and salaries	7.303.452	4.632.842
Post-employment benefit expense	36.164	48.139
Social security contributions	67.916	42.587
	7.407.532	4.723.568
Average number of full time employees	16	12
2 Tax on profit for the year		
Tax this year to be paid out due to research and development costs (Danish tax credit scheme)	-1.613.426	-1.079.542
Tax prior years	15.954	0
	-1.597.472	-1.079.542
3 Equity		
Share capital at 1 July	181.388	141.674
Capital increase this year	66.311	39.714
Share capital at 30 June	247.699	181.388
Retained earnings at 1 July	4.673.106	1.687.028
Expenses incurred in setting up capital increase	-100.949	-310.000
Share premium at capital increase	13.446.449	8.963.063
Proposed distribution of results this year	-9.625.858	-5.666.985
Retained earnings at 30 June	8.392.748	4.673.106
Proposed dividend recognised in equity at 1 July	0	0
Dividend paid	0	0
Proposed distribution of results	0	0
Proposed dividend recognised in equity at 30 June	0	0
Equity 30 June	8.640.447	4.854.494

Warrants

The company has issued warrants according to the company's Articles of Association.

Notes

4 Other long-term payables

Convertible debt notes of DKK 2.000.000 were converted to share capital in fiscal year 2017/18. The convertible debt notes bears 3% of interest. Time allowed for payment of these interest are 31 December 2021.

5 Contingent liabilities

Payments regarding lease of office space in the leaseperiod up until 15/4 2022, amounts to

2019

1.302.160

The company is management company in the national joint taxation with Goodwings Medarbejderfond IVS. The companies in the joint taxation are jointly liable on corporation taxes and taxes on dividends, interest and royalties.

6 Assets pledged as security

Bank balance pledged as security for any debt to Danske Bank

2019

39.735

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The accounting policies are consistent with those of last year.

General

Reporting currency

The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

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 statement

Gross profit

With reference to section 32 of the Danish Financial Statement Act, the items "Revenue", Cost of sales", "Other operating income" and "Other external expenses" are consolidated into one item designated "Gross profit".

Accounting policies

Revenue

Revenue includes invoiced sales of goods and rendering of services. Recognition is done, when:

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable assurance that it will be received

Revenue is measured net of all types of discounts/ rebates granted. Also revenue is measured net of VAT and other indirects taxes charged on behalf of third parties.

Cost of sales

Cost of sales include costs incurred to achieve revenue for the year.

Other external expenses

Other external expenses include expenses related to research and development, distribution, advertising, administration, bad debt, premises, operating lease agreements etc.

Development costs are recognized directly in the income statement. Development costs could be recognised as an assets if strict criteria are met, in particular relating to technical feasibility and generation of future economic benefits. The Directors consider that, due to the complex nature of development, these criteria are not met until relatively late in the development phase.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Accounting policies

Balance sheet

Financial fixed assets

Longterm investments in group enterprises

Investments in group enterprises are recognized at historic cost less accumulated impairment losses. If the historic cost exceeds the recoverable amount the investment is written down to this lower value. Received dividends in the financial year from group enterprises are recognized in the income statement.

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Cash and bank balances

Cash and cash equivalents include cash at bank and in hand converted at current exchange rate at the balance sheet date.

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under equity. Proposed dividends are recognized as a liability at the time of adoption by the shareholders at the annual general meeting.

Prepayments received from customers

Deferred income, recognized under liabilities, comprise income concerning subsequent financial years.

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Accounting policies

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortized cost, traditionally corresponding to the nominal value.

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Morten Ingemann Hvitved (CPR valideret)

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Christian Møller-Holst

Direktør

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Nicholas Michael Hammeken

Bestyrelsesmedlem

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Morten Rosenmejer

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Morten Rosenmejer

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Anders Colding Friis

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Steen Dahl Andersen

Revisor

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