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CVR no. 20 22 26 70

OBITAL APS
HØJBRO PLADS 10, 1200 KØBENHAVN K
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 3 June 2020**

Frederik Ditlev Østergaard Neble

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 39 12 19 99

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Statement by Board of Directors and Board of Executives.....	4
Engagement to Compile Financial Information.....	5
Management's Review	
Management's Review.....	6
Financial Statements 1 January - 31 December	
Income Statement.....	7
Balance Sheet.....	8
Notes.....	9-10
Accounting Policies.....	11-12

COMPANY DETAILS

Company	Obital ApS Højbro Plads 10 1200 Copenhagen K CVR No.: 39 12 19 99 Established: 29 November 2017 Financial Year: 1 January - 31 December
Board of Directors	Kim Ortmann Schrøder Elias Lundgaard Pedersen Sune Alstrup
Board of Executives	Elias Lundgaard Pedersen Frederik Ditlev Østergaard Neble
Auditor	BDO Statsautoriseret revisionsaktieselskab Banegårdspladsen 1, 2. 4400 Kalundborg

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Obital ApS for the financial year 1 January - 31 December 2019.

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 Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

The board of directors and board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

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

Copenhagen, 3 June 2020

Board of Executives

Elias Lundgaard Pedersen

Frederik Ditlev Østergaard Neble

Board of Directors

Kim Ortmann Schrøder

Elias Lundgaard Pedersen

Sune Alstrup

ENGAGEMENT TO COMPILE FINANCIAL INFORMATION

To the Shareholders of Obital ApS

We have compiled the Financial Statements of Obital ApS for the financial year 1 January - 31 December 2019 based on the Company's accounting records and other information provided by Management.

The Financial Statements comprise a summary of income statement, balance sheet, notes and significant accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.

The Financial Statements and the accuracy and completeness of the information used to compile the Financial Statements are Management's responsibility.

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

Kalundborg, 3 June 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Inge Linkamp
Authorised Public Accountant
MNE no. mne8729

MANAGEMENT'S REVIEW

Principal activities

The principal activities comprise developing and doing business associated with interaction technology.

Profit/loss for the year compared to future expectations

The year 2019 has progressed as expected. The year has progressed in three phases:

- a) getting a business angel funding round completed in January,
- b) complete focus from all parts of the team on development of the core technology, on which we have seen significant progress and expect to start to capitalize on by mid-2020 and
- c) the first public launch of our patent-pending technology in December.

The result of the year has been satisfactory, negatively impacted by one-off costs related to the funding round, positively impacted by a grant from Innovationsfonden, the last portion to be paid out in 2020.

Significant events after the end of the financial year

The rapid spread of the coronavirus in Denmark and the rest of the world in March 2020 necessitated a number of restrictions from the Danish authorities as well as internationally, which potentially will have major economic consequences. These factors must be considered by the company, in the case the outbreak of the Corona virus becomes so prolonged that the company cannot start capitalizing on the core technology as planned within a relatively short time. The company is also in the process of raising capital to ensure continued development and growth. Either revenue from our core technology or additional funding from external parties or grants are required to keep the current activity levels - and ultimately to secure the survival of the company.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
GROSS LOSS		-579.943	116.696
Staff costs.....	1	0	-123.045
Depreciation, amortisation and impairment losses.....		-15.488	0
LOSS BEFORE TAX		-595.431	-6.349
Tax on profit/loss for the year.....		0	0
Other taxes.....		10.720	0
LOSS FOR THE YEAR		-584.711	-6.349
PROPOSED DISTRIBUTION OF DIVIDEND			
Allocation to reserve for strengthening capital base.....		45.000	0
Retained earnings.....		-629.711	-6.349
TOTAL		-584.711	-6.349

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Development projects in progress and prepayments.....		680.276	0
Intangible fixed assets	2	680.276	0
Other plants, machinery, tools and equipment.....		33.390	0
Tangible fixed assets	3	33.390	0
FIXED ASSETS		713.666	0
Trade receivables.....		400.950	12.500
Prepayments and accrued income.....		0	40.000
Receivables		400.950	52.500
Cash and cash equivalents.....		942.588	72.872
CURRENT ASSETS		1.343.538	125.372
ASSETS		2.057.204	125.372
EQUITY AND LIABILITIES			
Share capital.....		50.000	5.000
Reserve for development costs.....		680.276	0
Retained earnings.....		733.664	-6.349
EQUITY	4	1.463.940	-1.349
Subordinate loan capital.....		500.000	0
Long-term liabilities	5	500.000	0
Trade payables.....		27.742	110.251
Other liabilities.....		65.522	16.470
Current liabilities		93.264	126.721
LIABILITIES		593.264	126.721
EQUITY AND LIABILITIES		2.057.204	125.372

NOTES

	2019 DKK	2018 DKK	Note
Staff costs			1
Average number of employees 4 (2018: 2)			
Wages and salaries.....	1.578.687	115.182	
Social security costs.....	27.880	0	
Other staff costs.....	54.144	7.863	
Activated staff costs.....	-1.660.711	0	
	0	123.045	
 Intangible fixed assets			 2
		Development projects in progress and prepayments	
Additions.....		1.740.064	
Disposals.....		-1.059.788	
Cost at 31 December 2019.....		680.276	
 Carrying amount at 31 December 2019.....		 680.276	
The company's development costs include developing an end-to-end framework for eye tracking on mobile devices.			
 Tangible fixed assets			 3
		Other plants, machinery, tools and equipment	
Additions.....		48.878	
Cost at 31 December 2019.....		48.878	
Depreciation for the year.....		15.488	
Depreciation and impairment losses at 31 December 2019.....		15.488	
 Carrying amount at 31 December 2019.....		 33.390	

NOTES

Equity Note
4

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2019.....	5.000	0	-6.349	-1.349
Capital increase.....	45.000			45.000
Value adjustments.....		680.276		680.276
Value adjustments of equity.....			2.050.000	2.050.000
Proposed distribution of profit.....			-629.711	-629.711
Transferred to reserve for development costs.....			-680.276	-680.276
Equity at 31 December 2019.....	50.000	680.276	733.664	1.463.940

Long-term liabilities

5

	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2018 total liabilities	Current portion at the beginning of the year
Subordinate loan capital.....	500.000	0	0	0	0
	500.000	0	0	0	0

ACCOUNTING POLICIES

The Annual Report of Obital ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from donations, sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses

Other external expenses include cost of sales, advertising, administration, indirect production costs etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and other costs for social security etc. for the company's employees.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3 years	0 %

ACCOUNTING POLICIES

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents include bank deposits.

Tax payable and deferred tax

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

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Liabilities

Amortised cost for short-term liabilities usually corresponds to the nominal value.