

Bolverk XR ApS

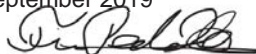
Carl Jacobsens Vej 16, 2. 16.
2500 Valby

CVR no. 39 81 11 38

Annual report 2018/19

The annual report was presented and approved at the
Company's annual general meeting on

6 September 2019



chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Bolverk XR ApS for the financial period 1 January 2018 – 31 March 2019.

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, liabilities and financial position at 31 March 2019 and of the results of the Company's operations for the financial period 1 January 2018 – 31 March 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

6 September 2019
Executive Board:



Bo Bennekov

Board of Directors:



Finn Peder Ramsgaard
Hove
Chairman



Allan Rasmussen



Lasse Stevnss Tassing

Independent auditor's report

To the shareholders of Bolverk XR ApS

Opinion

We have audited the financial statements of Bolverk XR ApS for the financial period 1 January 2018 – 31 March 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 March 2019 and of the results of the Company's operations for the financial period 1 January 2018 – 31 March 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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

Independent auditor's report

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 6 September 2019

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Bolverk XR ApS
Annual report 2018/19
CVR no. 39 81 11 38

Management's review

Company details

Bolverk XR ApS
Carl Jacobsens Vej 16, 2. 16.
2500 Valby

CVR no.: 39 81 11 38
Financial period: 1 January 2018 – 31 March 2019

Board of Directors

Finn Peder Ramsgaard Hove, Chairman
Allan Rasmussen
Lasse Stevnss Tassing

Executive Board

Bo Bennekov

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

The company's main activities comprise development of IT solutions within VR simulations.

Development in activities and financial position

The first products being deployed are expected to be sold, in the coming financial year. The VR training academy has been well received, and Bolverk XR has a growing and very promising sales pipeline. The academy is being used on a daily basis to train more than 5000 cabin attendants. The year 2018/2019 also proved that the subscription model is attractive to the customer base, and the first recurring revenue contract has been signed.

Management have assessed the company's financial situation, and has plans to raise additional funds through investment and soft funding. In case these plans do not work out as currently expected, management has contingency plans to reduce costs, and ensure a sustainable activity for the coming year.

Financial statements 1 January 2018 – 31 March 2019

Income statement

DKK	Note	1/1 2018 - 31/3 2019
Gross profit		212,869
Staff costs	2	<u>-21,805</u>
Operating profit		191,064
Financial expenses		<u>-3,279</u>
Profit before tax		187,785
Tax on profit/loss for the year	3	<u>-41,313</u>
Profit for the year		<u>146,472</u>
Proposed profit appropriation		
Reserves available		1,819,338
Retained earnings		<u><u>-1,672,866</u></u>

Financial statements 1 January 2018 – 31 March 2019

Balance sheet

DKK	Note	<u>31/3 2019</u>
ASSETS		
Fixed assets		
Intangible assets		
Development projects in progress		<u>2,870,279</u>
Investments		
Deposits		<u>159,858</u>
Total fixed assets		<u>3,030,137</u>
Current assets		
Receivables		
Other receivables		250,128
Corporation tax		471,834
Prepayments		<u>25,893</u>
		<u>747,855</u>
Total current assets		<u>747,855</u>
TOTAL ASSETS		<u><u>3,777,992</u></u>

Financial statements 1 January 2018 – 31 March 2019

Balance sheet

DKK	Note	<u>31/3 2019</u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital		56,185
Share premium		2,344,115
Reserve for development costs		2,238,817
Retained earnings		<u>-1,990,130</u>
Total equity		<u>2,648,987</u>
Provisions		
Provisions for deferred tax		<u>631,462</u>
Total provisions		<u>631,462</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Current portion of non-current liabilities		433,188
Banks, current liabilities		20,006
Other payables		<u>44,349</u>
		<u>497,543</u>
Total liabilities other than provisions		<u>497,543</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,777,992</u></u>
Related party disclosures	5	

Financial statements 1 January 2018 – 31 March 2019

Statement of changes in equity

DKK	Contributed capital	Share premium	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2018	0	0	0	0	0
Net effect from merger and acquisition	0	0	419,479	-317,264	102,215
Cash capital increase	6,185	2,344,115	0	0	2,350,300
Transferred over the profit appropriation	0	0	1,819,338	-1,672,866	146,472
Cash payments concerning formation of entity	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
Equity at 31 March 2019	<u>56,185</u>	<u>2,344,115</u>	<u>2,238,817</u>	<u>-1,990,130</u>	<u>2,648,987</u>

Financial statements 1 January 2018 – 31 March 2019

Notes

1 Accounting policies

The annual report of Bolverk XR ApS for 2018/19 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Income statement

Other external costs / gross profit

Other external costs comprise distribution costs and costs related to administration and other costs of the Company. Costs related to the development of the Company's new products are capitalised in the balance sheet.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities. Staff costs related to the development of the Company's new products are capitalised in the balance sheet.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Intangible assets

Development projects

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period. Development costs are capitalised in the balance sheet, when the future expected cash flows are assessed as probable and the future net present value of cash flows can at least cover the capitalised value. Costs capitalised on development projects have to be related to the specific project and be measured accurately in order to be capitalised.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Financial statements 1 January 2018 – 31 March 2019

Notes

1 Accounting policies (continued)

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Provisions

Provisions comprise anticipated costs of #. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Warranties comprise obligations to make good any defects within the warranty period of #-# years. Provisions are recognised based on the Company's experience with warranties. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at a rate reflecting risk and the due date for payment.

When it is probable that total costs will exceed total income from a construction contract, the total projected loss on the work is recognised as a provision. The provision is recognised as production costs.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 January 2018 – 31 March 2019

Notes

1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividends, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Prepayments

Prepayments comprises advance invoicing regarding income in subsequent years.

Financial statements 1 January 2018 – 31 March 2019

Notes

2 Staff costs

	1/1 2018 - 31/3 2019
DKK	
Wages and salaries	1,198,042
Other social security costs	8,710
Transferred to development projects	-1,184,947
	<u>21,805</u>
Average number of full-time employees	<u>5</u>

3 Tax on profit/loss for the year

	1/1 2018 - 31/3 2019
DKK	
Current tax for the year	471,834
Deferred tax for the year	-513,147
	<u>-41,313</u>

4 Contractual obligations, contingencies, etc.

The Company has entered into operating leases with a remaining term of 6 months and an average monthly lease payments of DKK 33 thousand, totalling DKK 200 thousand.

5 Related party disclosures

Bolverk XR ApS' related parties comprise the following owners with more than 5% ownership:

Bo Bennekov Holding ApS, Romancevej 10, 1., 2730 Herlev

Lasse Stevnss Tassing Holding ApS, Kastanievej 7, 2620 Albertslund

Jens Gudman Bühler Holding ApS, Magnoliavej 6, 2. tv., 2000 Frederiksberg

Styrelsen for Institutioner og Uddannelsesstøtte, Bredgade 43, 1260 København K

RAMSGAARD INVEST ApS, Carinaparken 93 A, 3460 Birkerød

CAPNOVA A/S, Åbogade 15, 8200 Aarhus N

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

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