

Bolverk XR ApS

Carl Jacobsens Vej 16, 2. 16.
2500 Valby
Denmark

CVR no. 39 81 11 38

Annual report 2021/22

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

28 October 2022

Bo Bennekov
Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 April – 31 March	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

Bolverk XR ApS
Annual report 2021/22
CVR no. 39 81 11 38

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 year 1 April 2021 – 31 March 2022.

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 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022.

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.

Valby, 28 October 2022
Executive Board:

Bo Bennekov
CEO

Board of Directors:

Finn Peder Ramsgaard
Hove
Chairman

Lasse Stevnss Tassing

Kristian Emborg

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 year 1 April 2021 – 31 March 2022 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 2022 and of the results of the Company's operations for the financial year 1 April 2021 – 31 March 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We note that there is a material uncertainty concerning the Company's ability to continue as a going concern. We draw attention to Note 2 which describe the current financing situation of the Company, in which additional liquidity is needed to be able to fund its planned operations during the coming year. Management expects that the company will be able to secure new contracts and obtain additional liquidity through equity investments or loans to continue its operation. Our opinion is not qualified in respect of this matter.

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.

Independent auditor's report

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 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.



Bolverk XR ApS
Annual report 2021/22
CVR no. 39 81 11 38

Independent auditor's report

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, 28 October 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Simon Vinberg Andersen
State Authorised
Public Accountant
mne35458

Bolverk XR ApS
Annual report 2021/22
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
Established:	13 July 2018
Registered office:	Copenhagen
Financial year:	1 April – 31 March

Board of Directors

Finn Peder Ramsgaard Hove, Chairman
Lasse Stevnss Tassing
Kristian Emborg

Executive Board

Bo Bennekov, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's main activity is development of IT solutions within VR simulations.

Development in activities and financial position

The Company's income statement for 2021/22 shows a profit of DKK -1,596,490 as against DKK 510 in 2020/21. Equity in the Company's balance sheet at 31 March 2022 stood at DKK 2,992,767 as against DKK 4,589,257 at 31 March 2021.

Material uncertainties regarding going concern

The operations of the Company have historically been funded through equity investments and loans. The current capital resources are not sufficient as the Company is still in a phase where it lies upon further investment being made in order to fund its activities. Therefore, the Company needs to secure further capital resources in 2022. It is Management's assessment that the Company will be able to secure further capital resources when needed to fund activities until end of March 2023. The accounts are prepared upon the basis of the continued operations in mind.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021/22.

Financial statements 1 April – 31 March

Income statement

DKK	Note	2021/22	2020/21
Gross profit	2	854,090	891,588
Staff costs	4	-1,193,710	-1,122,146
Depreciation, amortisation and impairment losses		<u>-955,808</u>	<u>-2,297</u>
Loss before financial income and expenses		-1,295,428	-232,855
Other financial expenses		<u>-277,769</u>	<u>-243,440</u>
Loss before tax		-1,573,197	-476,295
Tax on profit/loss for the year	5	<u>-23,293</u>	<u>476,805</u>
Profit/loss for the year		<u><u>-1,596,490</u></u>	<u><u>510</u></u>
Proposed profit appropriation/distribution of loss			
Reserve for development costs		2,108,755	2,759,825
Retained earnings		<u>-3,705,245</u>	<u>-2,759,315</u>
		<u><u>-1,596,490</u></u>	<u><u>510</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2022	31/3 2021
ASSETS			
Fixed assets			
Intangible assets			
	6		
Completed development projects		10,546,428	0
Development projects in progress		<u>2,341,398</u>	<u>10,292,641</u>
		<u>12,887,826</u>	<u>10,292,641</u>
Property, plant and equipment			
	7		
Fixtures and fittings, tools and equipment		<u>19,754</u>	<u>25,267</u>
Investments			
Deposits		<u>244,876</u>	<u>175,364</u>
Total fixed assets		<u>13,152,456</u>	<u>10,493,272</u>
Current assets			
Receivables			
Trade receivables		171,963	0
Other receivables		1,481,966	662,251
Corporation tax		0	971,523
Prepayments		<u>27,470</u>	<u>27,470</u>
		<u>1,681,399</u>	<u>1,661,244</u>
Cash at bank and in hand		<u>2,024,636</u>	<u>2,370,825</u>
Total current assets		<u>3,706,035</u>	<u>4,032,069</u>
TOTAL ASSETS		<u><u>16,858,491</u></u>	<u><u>14,525,341</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	31/3 2022	31/3 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		63,430	63,430
Reserve for development costs		10,137,015	8,028,260
Retained earnings		<u>-7,207,678</u>	<u>-3,502,433</u>
Total equity		<u>2,992,767</u>	<u>4,589,257</u>
Provisions			
Provisions for deferred tax		<u>1,736,356</u>	<u>1,713,631</u>
Total provisions		<u>1,736,356</u>	<u>1,713,631</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other credit institutions		1,034,284	948,353
Convertible and profit-sharing debt instruments		7,466,236	5,384,763
Other payables		<u>104,014</u>	<u>215,000</u>
		<u>8,604,534</u>	<u>6,548,116</u>
Current liabilities other than provisions			
Prepayments received from customers		612,525	565,650
Trade payables		668,228	332,861
Other payables		<u>2,244,081</u>	<u>775,826</u>
		<u>3,524,834</u>	<u>1,674,337</u>
Total liabilities other than provisions		<u>12,129,368</u>	<u>8,222,453</u>
TOTAL EQUITY AND LIABILITIES		<u>16,858,491</u>	<u>14,525,341</u>
Disclosure of material uncertainties regarding going concern	2		
Contractual obligations, contingencies, etc.	8		

Financial statements 1 April – 31 March

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 April 2021	63,430	8,028,260	-3,502,433	4,589,257
Transferred over the profit appropriation	<u>0</u>	<u>2,108,755</u>	<u>-3,705,245</u>	<u>-1,596,490</u>
Equity at 31 March 2022	<u><u>63,430</u></u>	<u><u>10,137,015</u></u>	<u><u>-7,207,678</u></u>	<u><u>2,992,767</u></u>

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Bolverk XR ApS for 2021/22 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

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.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc. Costs related to the development of the Company's new products are capitalised in the balance sheet.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. Refunds from public authorities are deducted from staff costs. 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.

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.

Balance sheet

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.

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

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 10 years.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Investments

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment 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.

Receivables

Receivables are measured at amortised cost.

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

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Financial statements 1 April – 31 March

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.

Other liabilities are measured at amortised cost.

2 Material uncertainties regarding going concern

The operations of the Company have historically been funded through equity investments and loans. The current capital resources are not sufficient as the Company is still in a phase where it lies upon further investment being made in order to fund its activities. Therefore, the Company needs to secure further capital resources in 2022. It is Management's assessment that the Company will be able to secure further capital resources when needed to fund activities until end of March 2023. The accounts are prepared upon the basis of the continued operations in mind.

Financial statements 1 April – 31 March

Notes

3 Gross profit

Gross profit includes special items comprising compensation under COVID-19 government aid packages of DKK 233 (2020/21: TDKK 1,417).

4 Staff costs

Wages and salaries	3,048,170	3,717,818
Pensions	15,060	0
Other social security costs	70,378	44,034
Transferred to development projects	<u>-1,939,898</u>	<u>-2,639,706</u>
	<u>1,193,710</u>	<u>1,122,146</u>
Average number of full-time employees	<u>8</u>	<u>10</u>

5 Tax on profit/loss for the year

Current tax for the year	0	-778,412
Deferred tax for the year	23,293	440,438
Adjustment of tax concerning previous years	<u>0</u>	<u>-138,831</u>
	<u>23,293</u>	<u>-476,805</u>

6 Intangible assets

DKK	Completed development projects	Development projects in progress	Total
Cost at 1 April 2021	0	10,292,641	10,292,641
Additions for the year	0	3,545,480	3,545,480
Transfers for the year	<u>11,496,723</u>	<u>-11,496,723</u>	<u>0</u>
Cost at 31 March 2022	<u>11,496,723</u>	<u>2,341,398</u>	<u>13,838,121</u>
Amortisation for the year	<u>-950,295</u>	<u>0</u>	<u>-950,295</u>
Amortisation and impairment losses at 31 March 2022	<u>-950,295</u>	<u>0</u>	<u>-950,295</u>
Carrying amount at 31 March 2022	<u>10,546,428</u>	<u>2,341,398</u>	<u>12,887,826</u>

Financial statements 1 April – 31 March

Notes

7 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 April 2021	<u>27,564</u>
Cost at 31 March 2022	<u>27,564</u>
Depreciation and impairment losses at 1 April 2021	-2,297
Depreciation for the year	<u>-5,513</u>
Depreciation and impairment losses at 31 March 2022	<u>-7,810</u>
Carrying amount at 31 March 2022	<u><u>19,754</u></u>

8 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 26 thousand, totalling DKK 150 thousand.

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“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Finn Peder Ramsgaard Hove

Bestyrelsesformand

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NEM ID 

Bo Bennekov

Adm. direktør

Serienummer: 5122301c-01a5-473a-9bc5-121fa29840b7

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2022-10-28 14:29:21 UTC

Mit  

Lasse Stevnss Tassing

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-170966128802

IP: 212.237.xxx.xxx

2022-10-28 15:01:02 UTC

NEM ID 

Kristian Emborg

Bestyrelsesmedlem

Serienummer: 5b081796-85ff-4f21-a2c6-73f95f66aff6

IP: 185.216.xxx.xxx

2022-10-31 08:09:43 UTC

Mit  

Simon Vinberg Andersen

Statsautoriseret revisor

På vegne af: KPMG

Serienummer: CVR:25578198-RID:95139924

IP: 83.151.xxx.xxx

2022-10-31 08:11:52 UTC

NEM ID 

Bo Bennekov

Dirigent

Serienummer: 5122301c-01a5-473a-9bc5-121fa29840b7

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Mit  

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