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Bolverk XR ApS

Carl Jacobsens Vej 16, 2. 16, 2500 Valby

Company reg. no. 39 81 11 38

Annual report

1 April 2023 - 31 March 2024

The annual report was submitted and approved by the general meeting on the 31 October 2024.

Bo Benneskov
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Bolverk XR ApS for the financial year 1 April 2023 - 31 March 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 – 31 March 2024.

Further, in our opinion, the Management's review gives a true and 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, 31 October 2024

Managing Director

Bo Benneskov
CEO

Board of directors

Finn Peder Ramsgaard Hove
Chairman

Lasse Stevnss Tassing

Kristian Emborg

The independent practitioner's report

To the Shareholders of Bolverk XR ApS

Conclusion

We have performed an extended review of the financial statements of Bolverk XR ApS for the financial year 1 April 2023 - 31 March 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2024 and of the results of the Company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of Matter

We note that there is a material uncertainty concerning the Company's ability to continue as a going concern. We draw attention to Note 1, which describes the current financing situation of the Company, in which additional investment is needed to be able to fund its planned operations during the coming year. Management is working on different solutions, but as it is it has not been possible for the company to raise capital to continue its operations, or provide documentation of doing so. Our opinion is not qualified in respect of this matter.

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.

The independent practitioner's report

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion 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 extended review 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 extended review, 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 in the Management's Review.

Copenhagen, 31 October 2024

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36

Morten Høgh-Petersen

State Authorised Public Accountant
mne34283

Company information

The company

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

Company reg. no. 39 81 11 38
Established: 13 July 2018
Domicile: Copenhagen
Financial year: 1 April - 31 March

Board of directors

Finn Peder Ramsgaard Hove, Chairman
Lasse Stevnss Tassing
Kristian Emborg

Managing Director

Bo Benneskov, CEO

Auditors

Grant Thornton, Godkendt Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

General meeting

Ordinary general meeting will be held on 31 October 2024

Management's review

Principal activities

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

Material uncertainties regarding going concern

The Company's historical operations have been sustained through a combination of equity investments and loans. However, the current capital resources fall short of meeting the financial requirements, given that the Company remains in a growth phase necessitating further capital infusion. Management continues working on receiving additional investment, but at date of signing the annual report, a solution to bridge the needed capital, to sustain operations until March 2025 and beyond, is not in place.

Therefore the annual report are prepared according to the realization principle.

Development in activities and financial matters

The gross profit for the year totals DKK 3.993.000 against DKK 1.821.000 last year. Income or loss from ordinary activities after tax totals DKK -14.905.000 against DKK -2.037.000 last year. The development must be seen in light of the fact that, according to the annual report 2022/23, the company expected a gross profit for 2023/24 in the region of DKK and income or loss from ordinary activities after tax of DKK . Management considers the net profit or loss for the year not satisfactory.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date of material importance of the annual report for 2023/24.

Accounting policies

The annual report for Bolverk XR ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

The realization principle has been used and several assets written down.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

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 deducted from revenue.

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

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs. Costs related to the development of the Company's new products are capitalised in the balance sheet.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest income and expenses.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Intangible assets

Development projects

Completed development projects are measured at realization value.

Property, plant, and equipment

Property, plant, and equipment are measured at realization value.

Investments

Deposits

Deposits are measured at realization value.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Receivables

Receivables are measured at realization value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

Accounting policies

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at realization value.

Mortgage loans and bank loans are thus measured at realization value.

Other liabilities are measured at amortised cost.

Income statement 1 April - 31 March

All amounts in DKK.

<u>Note</u>	<u>2023/24</u>	<u>2022/23</u>
Gross profit	3.992.549	1.821.253
2 Staff costs	-2.086.738	-2.565.008
Depreciation, amortisation, and impairment	-18.277.364	-1.246.185
Operating profit	-16.371.553	-1.989.940
Other financial income	12	0
Other financial expenses	-689.161	-674.917
Pre-tax net profit or loss	-17.060.702	-2.664.857
3 Tax on net profit or loss for the year	2.155.953	627.806
Net profit or loss for the year	-14.904.749	-2.037.051
Proposed distribution of net profit:		
Transferred to other statutory reserves	-11.039.322	-902.307
Allocated from retained earnings	-3.865.427	-1.134.744
Total allocations and transfers	-14.904.749	-2.037.051

Balance sheet at 31 March

All amounts in DKK.

Assets		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Non-current assets		
4 Completed development projects, including patents and similar rights arising from development projects	0	10.215.755
5 Development projects in progress and prepayments for intangible assets	0	4.321.359
Total intangible assets	<u>0</u>	<u>14.537.114</u>
6 Other fixtures, fittings, tools and equipment	0	14.241
Total property, plant, and equipment	<u>0</u>	<u>14.241</u>
7 Deposits	0	296.573
Total investments	<u>0</u>	<u>296.573</u>
Total non-current assets	<u>0</u>	<u>14.847.928</u>
Current assets		
Trade receivables	491.724	215
Other receivables	0	651.219
Total receivables	<u>491.724</u>	<u>651.434</u>
Cash and cash equivalents	<u>32.053</u>	<u>0</u>
Total current assets	<u>523.777</u>	<u>651.434</u>
Total assets	<u>523.777</u>	<u>15.499.362</u>

Balance sheet at 31 March

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Equity		
Contributed capital	63.430	63.430
Reserve for development costs	0	11.941.629
Retained earnings	-14.012.463	-11.049.343
Total equity	-13.949.033	955.716
Provisions		
Provisions for deferred tax	0	1.635.017
Total provisions	0	1.635.017
Liabilities other than provisions		
Subordinate loan capital	114.855	0
Debt to credit institutions	6.752.400	5.903.519
Prepayments received from customers	732.189	612.525
Other payables	2.672.340	309.675
Total long term liabilities other than provisions	10.271.784	6.825.719
Current portion of long term liabilities	659.018	840.000
Trade payables	500.282	677.061
Payables to group enterprises	133.410	3.849.771
Other payables	2.908.316	716.078
Total short term liabilities other than provisions	4.201.026	6.082.910
Total liabilities other than provisions	14.472.810	12.908.629
Total equity and liabilities	523.777	15.499.362

1 Uncertainties relating to going concern**8 Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 April 2023	63.430	11.039.322	-10.147.036	955.716
Retained earnings for the year	0	0	-3.865.427	-3.865.427
Transferred from retained earnings	0	-11.039.322	0	-11.039.322
	63.430	0	-14.012.463	-13.949.033

Notes

All amounts in DKK.

	<u>2023/24</u>	<u>2022/23</u>
1. Uncertainties relating to going concern		
The Company's historical operations have been sustained through a combination of equity investments and loans. However, the current capital resources fall short of meeting the financial requirements, given that the Company remains in a growth phase necessitating further capital infusion. Management continues working on receiving additional investment, but at date of signing the annual report, a solution to bridge the needed capital, to sustain operations until March 2025 and beyond, is not in place.		
2. Staff costs		
Salaries and wages	1.956.371	2.435.482
Pension costs	81.320	98.984
Other costs for social security	49.047	30.542
	<u>2.086.738</u>	<u>2.565.008</u>
Average number of employees	<u>4</u>	<u>5</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	-520.936	0
Adjustment of deferred tax for the year	-1.635.017	-101.339
Adjustment of tax for previous years	0	-526.467
	<u>-2.155.953</u>	<u>-627.806</u>
4. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 April 2023	<u>10.215.755</u>	<u>10.215.755</u>
Cost 31 March 2024	<u>10.215.755</u>	<u>10.215.755</u>
Impairment loss for the year	<u>-10.215.755</u>	<u>0</u>
Amortisation and write-down 31 March 2024	<u>-10.215.755</u>	<u>0</u>
Carrying amount, 31 March 2024	<u>0</u>	<u>10.215.755</u>

Notes

All amounts in DKK.

	<u>31/3 2024</u>	<u>31/3 2023</u>
5. Development projects in progress and prepayments for intangible assets		
Cost 1 April 2023	4.321.359	2.341.398
Additions during the year	13.941.765	2.889.961
Transfers	0	-910.000
Cost 31 March 2024	<u>18.263.124</u>	<u>4.321.359</u>
Impairment loss for the year	-18.263.124	0
Amortisation and write-down 31 March 2024	<u>-18.263.124</u>	<u>0</u>
Carrying amount, 31 March 2024	<u>0</u>	<u>4.321.359</u>
6. Other fixtures, fittings, tools and equipment		
Cost 1 April 2023	<u>27.564</u>	<u>27.564</u>
Cost 31 March 2024	<u>27.564</u>	<u>27.564</u>
Depreciation and write-down 1 April 2023	-13.323	-7.810
Amortisation and depreciation for the year	-14.241	-5.513
Depreciation and write-down 31 March 2024	<u>-27.564</u>	<u>-13.323</u>
Carrying amount, 31 March 2024	<u>0</u>	<u>14.241</u>
7. Deposits		
Cost 1 April 2023	<u>0</u>	<u>296.573</u>
Cost 31 March 2024	<u>0</u>	<u>296.573</u>
Carrying amount, 31 March 2024	<u>0</u>	<u>296.573</u>

Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

Lease liabilities

The Company has entered into operating leases with a remaining term of 6 months and an average monthly lease payments of DKK 39 thousand, totalling DKK 235 thousand.