



Unity Studios ApS

Silkeborgvej 261, 1.
8230 Åbyhøj
CVR No. 31177626

Annual report 2020

The Annual General Meeting adopted the
annual report on 20.04.2021

Mads Brochorst Troelsgaard
Chairman of the General Meeting

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Entity details

Entity

Unity Studios ApS
Silkeborgvej 261, 1.
8230 Åbyhøj

CVR No.: 31177626
Registered office: Aarhus
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Jesper Lilledal Holmgaard, Chairman
Christian Kastrup Schwarz Lausten
Mads Brochorst Troelsgaard
Martin Lumbye Hansen
Sune Schnack Wolff
Thomas Frank Fenger

Executive Board

Mads Brochorst Troelsgaard
Sune Schnack Wolff
Thomas Frank Fenger

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Unity Studios ApS for the financial year 01.01.2020 - 31.12.2020.

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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 20.04.2021

Executive Board

Mads Brochorst Troelsgaard

Sune Schnack Wolff

Thomas Frank Fenger

Board of Directors

Jesper Lilledal Holmgaard
Chairman

Christian Kastrup Schwarz Lausten

Mads Brochorst Troelsgaard

Martin Lumbye Hansen

Sune Schnack Wolff

Thomas Frank Fenger

Independent auditor's report

To the shareholders of Unity Studios ApS

Opinion

We have audited the financial statements of Unity Studios ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Aarhus, 20.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Jens Lauridsen

State Authorised Public Accountant
Identification No (MNE) mne34323

Management commentary

Primary activities

The Company's activity consists in running a consulting business in the IT industry.

The business consists of two divisions. A consulting division consisting of customised projects and a product division consisting of SynergyXR.

Development in activities and finances

The financial statements for the year show a loss of DKK 867k against a profit of DKK 1,734k at 31.12.2019, which Management regards as expected.

The Company has changed accounting policies regarding capitalisation of development projects – for more details see "Accounting policies".

The outbreak and spread of COVID-19 at the beginning of 2020 has to some extent affected the consulting division.

Uncertainty relating to recognition and measurement

The Company has recognised development projects at cost in the annual report. The recognition of development projects is subject to uncertainty, but Management firmly believes that the development projects give a true and fair view based on the expectations for the future. For more details, see note 4 to the financial statements.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		7,889,910	11,581,353
Staff costs	1	(8,512,693)	(9,153,767)
Depreciation, amortisation and impairment losses		(787,094)	(138,552)
Operating profit/loss		(1,409,877)	2,289,034
Other financial income		4,314	0
Other financial expenses		(45,179)	(56,796)
Profit/loss before tax		(1,450,742)	2,232,238
Tax on profit/loss for the year	2	583,375	(498,607)
Profit/loss for the year		(867,367)	1,733,631
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		3,890,000	0
Retained earnings		(4,757,367)	1,733,631
Proposed distribution of profit and loss		(867,367)	1,733,631

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	4	3,721,044	0
Development projects in progress	4	2,197,276	2,576,832
Intangible assets	3	5,918,320	2,576,832
Other fixtures and fittings, tools and equipment		269,140	278,818
Leasehold improvements		67,310	72,030
Property, plant and equipment	5	336,450	350,848
Deposits		291,225	296,081
Financial assets		291,225	296,081
Fixed assets		6,545,995	3,223,761
Trade receivables		1,675,599	3,917,408
Contract work in progress	6	0	1,594,320
Other receivables		10,506,037	576,660
Income tax receivable		889,075	0
Prepayments		24,666	0
Receivables		13,095,377	6,088,388
Cash		1,337,673	2,153,474
Current assets		14,433,050	8,241,862
Assets		20,979,045	11,465,623

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		128,359	125,000
Reserve for development expenditure		4,616,290	2,009,929
Retained earnings		8,195,078	3,554,705
Equity		12,939,727	5,689,634
Deferred tax		721,700	416,000
Provisions		721,700	416,000
Debt to other credit institutions		3,421,796	0
Other payables		770,141	360,615
Non-current liabilities other than provisions	7	4,191,937	360,615
Current portion of non-current liabilities other than provisions	7	16,361	0
Bank loans		91,123	89,212
Contract work in progress	6	0	2,486,635
Trade payables		280,694	283,662
Payables to shareholders and management		89,779	0
Other payables	8	1,997,261	1,709,865
Deferred income	9	650,463	430,000
Current liabilities other than provisions		3,125,681	4,999,374
Liabilities other than provisions		7,317,618	5,359,989
Equity and liabilities		20,979,045	11,465,623
Unrecognised rental and lease commitments	10		
Assets charged and collateral	11		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	125,000	0	3,890,802	0	4,015,802
Changes in accounting policies	0	2,009,929	(336,097)	0	1,673,832
Adjusted equity, beginning of year	125,000	2,009,929	3,554,705	0	5,689,634
Increase of capital	37,109	0	12,163,111	0	12,200,220
Decrease of capital	(33,750)	0	33,750	0	0
Costs related to equity transactions	0	0	(192,760)	0	(192,760)
Extraordinary dividend paid	0	0	0	(3,890,000)	(3,890,000)
Transfer to reserves	0	2,606,361	(2,606,361)	0	0
Profit/loss for the year	0	0	(4,757,367)	3,890,000	(867,367)
Equity end of year	128,359	4,616,290	8,195,078	0	12,939,727

Notes

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	10,244,107	9,696,462
Pension costs	1,114,429	885,656
Other social security costs	158,926	170,840
Other staff costs	442,647	671,922
	11,960,109	11,424,880
Staff costs classified as assets	(3,447,416)	(2,271,113)
	8,512,693	9,153,767
Average number of full-time employees	22	22

2 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(889,075)	0
Change in deferred tax	305,700	498,607
	(583,375)	498,607

3 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	0	2,576,832
Transfers	4,420,808	(4,420,808)
Additions	0	4,041,252
Cost end of year	4,420,808	2,197,276
Amortisation for the year	(699,764)	0
Amortisation and impairment losses end of year	(699,764)	0
Carrying amount end of year	3,721,044	2,197,276

4 Development projects

The Company's completed development projects and development projects in progress consist of development of VR solutions for 3D presentations and design of virtual meetings.

Completed development projects are amortised over a period of 5 years.

Future improvements will be capitalised and maintenance charged to profit and loss on a current basis. Management has not observed any indications of impairment in relation to the carrying amount of DKK 5,918k.

Development projects are expected to generate positive cash flows that exceed the recognised value.

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	886,651	97,156
Additions	152,929	18,003
Cost end of year	1,039,580	115,159
Depreciation and impairment losses beginning of year	(607,833)	(25,126)
Depreciation for the year	(162,607)	(22,723)
Depreciation and impairment losses end of year	(770,440)	(47,849)
Carrying amount end of year	269,140	67,310

6 Contract work in progress

	2020 DKK	2019 DKK
Contract work in progress	0	1,594,320
Progress billings regarding contract work in progress	0	(2,486,635)
Transferred to liabilities other than provisions	0	2,486,635
	0	1,594,320

As the Company has focused on own development projects in 2020, there is no work in progress at 31.12.2020.

7 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Debt to other credit institutions	16,361	3,421,796	2,283,722
Other payables	0	770,141	0
	16,361	4,191,937	2,283,722

Other non-current liabilities consist of frozen holiday pay.

8 Other payables

	2020 DKK	2019 DKK
VAT and duties	641,167	886,831
Wages and salaries, personal income taxes, social security costs, etc payable	1,044,237	45,008
Holiday pay obligation	306,775	777,553
Other costs payable	5,082	473
	1,997,261	1,709,865

9 Deferred income

Deferred income includes license income, which is taken to income in the coming year as well as grants of DKK 490k related to development projects of which DKK 98k is recognised under amortisation on development projects.

10 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	1,443,247	2,422,033

11 Assets charged and collateral

Bank loans are secured by a floating charge of nominal DKK 1,000k over other fixtures and fittings, tools and equipment as well as trade receivables.

Bank loans amount to DKK 91k at 31.12.2020.

Loans from Vækstfonden are secured by a floating charge of nominal DKK 3,500k over other fixtures and fittings, tools and equipment as well as trade receivables.

The loans amount to DKK 3,500k at 31.12.2020.

The total carrying amount of the assets concerned is DKK 2,222k. at 31.12.2020.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Changes in accounting policies

Management has changed accounting policies regarding recognition of development projects, which now and in future will be recognised in the balance sheet as opposed to previous years when recognition was made in the income statement. As a result of this change, the grants received for development projects are now also taken to liabilities in the balance sheet. These are subsequently taken to income as the development projects are amortised for accounting purposes.

The changes were made back in time for which reason the opening balance sheet has been adjusted. The changes have had the following impact on the 2019 figures:

- Profit/loss before tax = DKK 2,146,832
- Tax for the year = DKK (473,000)
- Equity = DKK 1,673,832
- Balance sheet total = DKK 2,519,832

The changes in accounting policies have the following impact on the 2020 figures:

- Profit/loss before tax = DKK 3,379,488
- Tax for the year = DKK (742,900)
- Equity = DKK 2,636,588
- Balance sheet total = DKK 3,379,488

Apart from the above policies, the annual report has been presented applying the same accounting policies as last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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 is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment, as well as this years share of grants received, that can be attributed to depreciation of intangible assets.

Other financial income

Other financial income comprises interest income, including payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 5 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.