



SynergyXR ApS

Silkeborgvej 261, 1.
8230 Åbyhøj
CVR No. 31177626

Annual report 2023

The Annual General Meeting adopted the annual report on 14.03.2024

Mads Brochorst Troelsgaard
Chairman of the General Meeting

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Entity details

Entity

SynergyXR ApS
Silkeborgvej 261, 1.
8230 Åbyhøj

Business Registration No.: 31177626
Registered office: Aarhus
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Jesper Lilledal Holmgaard, Chairman
Mads Brochorst Troelsgaard
Sune Schnack Wolff
Myron Wai Leung Seto
Christian Bach
Silas Kondrup Petersen
Eerik Paasikivi Jari

Executive Board

Mads Brochorst Troelsgaard, CEO
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 SynergyXR ApS for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 14.03.2024

Executive Board

Mads Brochorst Troelsgaard
CEO

Sune Schnack Wolff

Thomas Frank Fenger

Board of Directors

Jesper Lilledal Holmgaard
Chairman

Mads Brochorst Troelsgaard

Sune Schnack Wolff

Myron Wai Leung Seto

Christian Bach

Silas Kondrup Petersen

Eerik Paasikivi Jari

Independent auditor's report

To the shareholders of SynergyXR ApS

Opinion

We have audited the financial statements of SynergyXR ApS for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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, 14.03.2024

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 software development business in the IT industry. The business consists of two divisions. A product division consisting of SynergyXR and a consulting division consisting of professional service and customized projects.

Development in activities and finances

The financial statements for the year show a loss of DKK 13,804k against a loss of DKK 9,927k at 31.12.2022, which Management regards as expected as the Company is still developing SynergyXR.

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 5 to the financial statements.

Events after the balance sheet date

The Company has in Q1 2024 finalized a capital increase of DKK 14,9m.

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

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss	1	7,525,863	9,495,642
Staff costs	2	(15,872,070)	(16,871,134)
Depreciation, amortisation and impairment losses	3	(5,107,990)	(3,323,583)
Operating profit/loss		(13,454,197)	(10,699,075)
Other financial income		23,062	0
Other financial expenses		(373,262)	(278,073)
Profit/loss before tax		(13,804,397)	(10,977,148)
Tax on profit/loss for the year	4	0	1,049,928
Profit/loss for the year		(13,804,397)	(9,927,220)
Proposed distribution of profit and loss			
Retained earnings		(13,804,397)	(9,927,220)
Proposed distribution of profit and loss		(13,804,397)	(9,927,220)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	6	9,418,723	10,113,641
Development projects in progress	6	668,347	1,257,050
Intangible assets	5	10,087,070	11,370,691
Other fixtures and fittings, tools and equipment		22,827	101,960
Leasehold improvements		23,352	43,444
Property, plant and equipment	7	46,179	145,404
Deposits		287,335	284,453
Financial assets		287,335	284,453
Fixed assets		10,420,584	11,800,548
Trade receivables		2,179,381	4,268,080
Contract work in progress	8	10,755	0
Income tax receivable		0	1,049,928
Prepayments		174,520	69,641
Receivables		2,364,656	5,387,649
Cash		5,313,852	14,419,503
Current assets		7,678,508	19,807,152
Assets		18,099,092	31,607,700

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	9	182,275	182,275
Reserve for development expenditure		7,576,429	8,869,139
Retained earnings		(386,401)	12,125,286
Equity		7,372,303	21,176,700
Other provisions		0	69,209
Provisions		0	69,209
Debt to other credit institutions		2,678,938	3,827,993
Other payables		821,757	800,088
Deferred income		1,237,016	1,459,742
Non-current liabilities other than provisions	10	4,737,711	6,087,823
Current portion of non-current liabilities other than provisions	10	1,994,663	724,363
Bank loans		0	255,557
Contract work in progress	8	1,005,302	1,445,859
Trade payables		329,593	201,184
Other payables	11	1,365,707	696,574
Deferred income	12	1,293,813	950,431
Current liabilities other than provisions		5,989,078	4,273,968
Liabilities other than provisions		10,726,789	10,361,791
Equity and liabilities		18,099,092	31,607,700
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	182,275	8,869,139	12,125,286	21,176,700
Transfer to reserves	0	(1,292,710)	1,292,710	0
Profit/loss for the year	0	0	(13,804,397)	(13,804,397)
Equity end of year	182,275	7,576,429	(386,401)	7,372,303

Notes

1 Gross profit/loss

Herein included "Own work capitalised" regarding development projects, which amounts to DKK 3,714k in 2023 and DKK 5,306k in 2022. Also included are "Other operating income" relating to public grants and reimbursement of employee benefits, which is recognized with DKK 1,126k in 2023 and DKK 784k in 2022.

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	14,117,654	15,037,046
Pension costs	1,496,188	1,575,997
Other social security costs	258,228	258,091
	15,872,070	16,871,134
Average number of full-time employees	29	31

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	3,597,981	2,748,070
Impairment losses on intangible assets	1,410,784	423,605
Depreciation of property, plant and equipment	99,225	151,908
	5,107,990	3,323,583

4 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	0	(1,049,928)
	0	(1,049,928)

5 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	15,546,290	1,257,050
Transfers	4,313,847	(4,313,847)
Additions	0	3,725,144
Disposals	(1,286,634)	0
Cost end of year	18,573,503	668,347
Amortisation and impairment losses beginning of year	(5,432,649)	0
Impairment losses for the year	(502,162)	0
Amortisation for the year	(3,597,981)	0
Reversal regarding disposals	378,012	0
Amortisation and impairment losses end of year	(9,154,780)	0
Carrying amount end of year	9,418,723	668,347

6 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.

Development projects are expected to generate positive cash flows that exceed the recognised value, thus Management has not observed any indications of impairment in relation to the carrying amount of DKK 9,713k.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,163,817	130,457
Cost end of year	1,163,817	130,457
Depreciation and impairment losses beginning of year	(1,061,857)	(87,013)
Depreciation for the year	(79,133)	(20,092)
Depreciation and impairment losses end of year	(1,140,990)	(107,105)
Carrying amount end of year	22,827	23,352

8 Contract work in progress

	2023	2022
	DKK	DKK
Contract work in progress	682,447	170,894
Progress billings regarding contract work in progress	(1,676,994)	(1,616,753)
Transferred to liabilities other than provisions	1,005,302	1,445,859
	10,755	0

9 Share capital

A share option scheme according to which a right to subscribe up to 14,296 new shares (DKK 14,296) in the Company has been established.

A total of 6,726 warrants have been allocated to employees per 31.12.2023.

Employees rights to allocated warrants accrue over 48 months, this expires in May 2025 - March 2026 – June 2027.

At 31.12.2023 a total of 2,851 warrants have been earned.

10 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after
	months	months	more than 12
	2023	2022	2023
	DKK	DKK	DKK
Debt to other credit institutions	1,400,000	0	2,678,938
Other payables	0	0	821,757
Deferred income	594,663	724,363	1,237,016
	1,994,663	724,363	4,737,711

Other payables consist of frozen holiday pay and deferred income consists of grants related to development projects. All non-current liabilities are expected to be realised within 5 years.

11 Other payables

	2023	2022
	DKK	DKK
VAT and duties	612,884	396,408
Wages and salaries, personal income taxes, social security costs, etc. payable	452,327	27,928
Holiday pay obligation	299,679	271,947
Other costs payable	817	291
	1,365,707	696,574

12 Deferred income

Deferred income includes license income and grants, which is taken to income in the coming year.

13 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	341,365	291,732

14 Contingent liabilities

The Company has assumed an exit-obligation towards a third party relating to a exit-transaction. In view of the Company's current operations, Management does not find it necessary to recognise a liability.

15 Assets charged and collateral

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 4,104k at 31.12.2023. (DKK 3,866k at 31.12.2022)

The total carrying amount of the assets concerned is DKK 2,202k at 31.12.2023 (DKK 4,370k at 31.12.2022)

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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year but with a few reclassification in the presentation of the annual report in the comparative figures.

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.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalized, changes in work in progress, other operating income, and other 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).

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities and salary refunds.

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

Other fixtures and fittings, tools and equipment and leasehold improvements 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:

	Useful life
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.

Other provisions

Other provisions comprise anticipated costs of loss on contract work in progress.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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 and grants related to development projects. Deferred income is measured at cost.