



Many Digital A/S

Sletvej 2 E
8310 Tranbjerg J
CVR No. 34052247

Annual report 2021

The Annual General Meeting adopted the
annual report on 16.05.2022

Tom Matthiesen

Chairman of the General Meeting

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Entity details

Entity

Many Digital A/S

Sletvej 2 E

8310 Tranbjerg J

Business Registration No.: 34052247

Registered office: Aarhus

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Kristian Busk Mouritzen, Chairman

Bo Helligsøe

Steen McCormick

Tom Matthiesen

Shanker Subramaniam

Executive Board

Tom Matthiesen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Lead Client Service Partner : Mads Faurskov

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Many Digital A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 16.05.2022

Executive Board

Tom Matthiesen
CEO

Board of Directors

Kristian Busk Mouritzen
Chairman

Bo Helligsøe

Steen McCormick

Tom Matthiesen

Shanker Subramaniam

Independent auditor's extended review report

To the shareholders of Many Digital A/S

Conclusion

We have performed an extended review of the financial statements of Many Digital A/S for the financial year 01.01.2021 - 31.12.2021, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 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 to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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, 16.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Søren Lykke

State Authorised Public Accountant
Identification No (MNE) mne32785

Management commentary

Primary activities

The company's purpose is to develop, sell and maintain a digital, IT-based platform for rightholders primarily within the sports industry. Furthermore, the company operates as consulting within digital strategy, communication and Social Media and fields related to these areas.

Description of material changes in activities and finances

The result of the year shows a deficit of DKK -3,664,309 against a deficit last year of DKK - 1,801,294.

We though are satisfied by the increase of turnover of app. 140% compared to 2020.

In 2022, the Company has carried out a capital increase total DKK 1,600,000 in April and expect to have the next capital increase in place during June 2022 of total DKK 1,600,000 which ensures the Company sufficient liquidity for its continued development and going concern

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 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss	2	1,288,612	625,300
Staff costs	3	(2,284,640)	(1,111,188)
Depreciation, amortisation and impairment losses	4	(2,417,079)	(2,018,310)
Operating profit/loss		(3,413,107)	(2,504,198)
Other financial income	5	8,196	0
Other financial expenses	6	(226,101)	(92,393)
Profit/loss before tax		(3,631,012)	(2,596,591)
Tax on profit/loss for the year	7	(33,297)	795,297
Profit/loss for the year		(3,664,309)	(1,801,294)
Proposed distribution of profit and loss			
Retained earnings		(3,664,309)	(1,801,294)
Proposed distribution of profit and loss		(3,664,309)	(1,801,294)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	9	5,709,996	6,977,138
Acquired intangible assets		150,000	0
Intangible assets	8	5,859,996	6,977,138
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	10	0	0
Deposits		31,636	33,435
Financial assets	11	31,636	33,435
Fixed assets		5,891,632	7,010,573
Trade receivables		860,042	162,952
Joint taxation contribution receivable		0	745,297
Prepayments		57,859	48,981
Receivables		917,901	957,230
Cash		1,182,130	1,248,322
Current assets		2,100,031	2,205,552
Assets		7,991,663	9,216,125

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		668,283	595,440
Reserve for development expenditure		4,453,798	5,442,168
Retained earnings		(805,328)	(1,306,544)
Equity		4,316,753	4,731,064
Deferred tax		0	712,000
Provisions		0	712,000
Other payables		3,022,641	3,130,084
Non-current liabilities other than provisions	12	3,022,641	3,130,084
Current portion of non-current liabilities other than provisions	12	197,387	47,128
Trade payables		273,161	155,175
Other payables		181,721	440,674
Current liabilities other than provisions		652,269	642,977
Liabilities other than provisions		3,674,910	3,773,061
Equity and liabilities		7,991,663	9,216,125
Going concern	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		

Statement of changes in equity for 2021

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	595,440	0	5,442,168	(1,306,544)	4,731,064
Increase of capital	72,843	3,177,155	0	0	3,249,998
Transfer to reserves	0	(3,177,155)	(988,370)	4,165,525	0
Profit/loss for the year	0	0	0	(3,664,309)	(3,664,309)
Equity end of year	668,283	0	4,453,798	(805,328)	4,316,753

Notes

1 Going concern

After the balance sheet date, the Management and Board have prepared an investor prospect including updated budgets and forecast in order to seek further investment into MANY Digital A/S via a capital increase. The dialogue is progressing in a positive direction, and the management and Board have finalized a capital increase of DKK 1,6 mio. in April 2022 and expect to have the next capital increase in place during June 2022.

2 Gross profit/loss

Other operating income included in the gross profit in 2021(DKK24,863) in 2020 (DKK 220,676) relates to compensation received for salaries and fixed costs established because of the COVID-19 pandemic.

3 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	2,505,480	2,910,833
Other social security costs	37,268	38,860
Other staff costs	22,846	4,071
	2,565,594	2,953,764
Staff costs classified as assets	(280,954)	(1,842,576)
	2,284,640	1,111,188
Average number of full-time employees	5	5

4 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	2,417,079	2,018,310
	2,417,079	2,018,310

5 Other financial income

	2021	2020
	DKK	DKK
Exchange rate adjustments	8,196	0
	8,196	0

6 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	222,721	92,393
Other financial expenses	3,380	0
	226,101	92,393

7 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	0	(745,297)
Change in deferred tax	(712,000)	(50,000)
Adjustment concerning previous years	745,297	0
	33,297	(795,297)

8 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK
Cost beginning of year	11,466,962	0
Additions	1,149,937	150,000
Cost end of year	12,616,899	150,000
Amortisation and impairment losses beginning of year	(4,489,824)	0
Amortisation for the year	(2,417,079)	0
Amortisation and impairment losses end of year	(6,906,903)	0
Carrying amount end of year	5,709,996	150,000

9 Development projects

Capitalized completed development projects relate to the company's incurred costs for further development of an IT platform with associated mobile applications (iOS and Android apps) targeted at sports rightholders, their fans and commercial partners.

Through the development project, the company has further tested, made major changes, and sold the IT platform and the associated apps to customers in Denmark and the UK in 2021 and on this basis has capitalized the development project. The IT platform is still challenged by its functionality, and this has caused significant higher cost for further development, but we expect the main functionalities to be stabilized in 2022. The capitalized development costs also relate to the expansion of the IT platform's technical functionality and stability, including in particular integrations with several third-party IT services, which strengthen both the company's and the customers' business gain from the IT platform. The Management expects to continue the technical development of both the IT platform and associated apps in 2022 to expand the competitive advantage it has in the market. The Management also expects future earnings on the IT platform that significantly exceed the value of the capitalized development costs.

Once the development project has been completed and the IT platform has been further developed with a

number of additional technical functionalities, the company expects to be able to capture bigger market shares in its current markets, and also scale the business outside of its commercial footprint in Denmark, Germany and the UK. The IT platform is amortized over 5 years.

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	16,399
Cost end of year	16,399
Depreciation and impairment losses beginning of year	(16,399)
Depreciation and impairment losses end of year	(16,399)
Carrying amount end of year	0

11 Financial assets

	Deposits DKK
Cost beginning of year	33,435
Additions	26,701
Disposals	(28,500)
Cost end of year	31,636
Carrying amount end of year	31,636

12 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Other payables	197,387	47,128	3,022,641	1,640,107
	197,387	47,128	3,022,641	1,640,107

Long-term liabilities relates to loans from Vaekstfonden.

13 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	35,700	48,300

14 Contingent liabilities

A contingent liability relating to an earn-out agreement concerning the acquisition of intellectual property rights is incumbent on the Company. The maximum payment agreed amounts to DKK 550,000 based on revenue from

the intangible asset up until the end of 2026.

15 Assets charged and collateral

Debt to Vaekstfonden is secured on a floating charge of DKK 3,200,000. The floating charge comprises intangible assets and unsecured claims from trade receivables. The carrying amount of the assets charged is DKK 6.7m.

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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income 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.

Other operating income

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

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 property, 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.

Other financial income

Other financial income comprises exchange gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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.

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 10 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 acquired are measured at cost less accumulated amortisation. Patents are amortised

on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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	5 years
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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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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