

Betadwarf ApS

Hejrevej 37, 1., 2400 København NV

CVR no. 34 72 90 77

**Annual report for the period
1 May 2019 to 30 April 2020**

Adopted at the annual general meeting on 27 October
2020

Kenneth Harder
chairman



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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Betadwarf ApS for the financial year 1 May 2019 - 30 April 2020.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 April 2020 and of the results of the company's operations for the financial year 1 May 2019 - 30 April 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 27 October 2020

Executive board

Steffen Bischoff Kappelgaard

Kenneth Harder

Supervisory board

Kenneth Harder
chairman

Are Mack Growen

Steffen Bischoff Kappelgaard

Michael Cheung

Independent auditor's report

To the shareholders of Betadwarf ApS

Opinion

We have audited the financial statements of Betadwarf ApS for the financial year 1 May 2019 - 30 April 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 April 2020 and of the results of the company's operations for the financial year 1 May 2019 - 30 April 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 27 October 2020

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Ramazan Turan
statsautoriseret revisor
MNE no. mne32779

Company details

The company	Betadwarf ApS Hejrevej 37, 1. 2400 København NV CVR no.: 34 72 90 77 Reporting period: 1 May 2019 - 30 April 2020 Incorporated: 1. November 2012 Domicile: Copenhagen
Supervisory board	Kenneth Harder, chairman Are Mack Growen Steffen Bischoff Kappelgaard Michael Cheung
Executive board	Steffen Bischoff Kappelgaard Kenneth Harder
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

The company's main purpose is to sell and develop computer games.

Financial review

The company's income statement for the year ended 30 April 2020 shows a profit of DKK 591.593, and the balance sheet at 30 April 2020 shows equity of DKK 59.906.527.

Development in activities

2019/20 was a great year with further development of Minion Masters and expanding the global appeal. Minion Masters has crossed 2.5 million downloads, and it has more than 100.000 members on its Discord Server. The Company has raised DKK 44m during the financial year. The purpose of the capital raise is to develop a new game focused on friendships and further development of Minion Masters.

Significant events occurring after the end of the financial year

After expiry of the financial year, there has been an outbreak and spread of the coronavirus due to the COVID-19 pandemic. However, the company is not expected to be significantly affected by the outbreak. Although we are at an early stage in terms of assessing the impact, management still expects that the outbreak will have no considerable financial impact on the company during the financial year ahead.

Income statement 1 May 2019 - 30 April 2020

	Note	2019/20 DKK	2018/19 DKK
Gross profit		10.218.469	4.827.605
Staff costs	1	-6.272.948	-465.442
Profit/loss before amortisation/depreciation		3.945.521	4.362.163
Depreciation, amortisation and impairment losses		-2.437.806	-453.466
Profit/loss before net financials		1.507.715	3.908.697
Financial income		2.374	2.843
Financial costs		-752.513	-30.923
Profit/loss before tax		757.576	3.880.617
Tax on profit/loss for the year	2	-165.983	-841.053
Profit/loss for the year		591.593	3.039.564
Recommended appropriation of profit/loss			
Proposed dividend for the year		437.200	0
Reserve for development projects		-1.079.891	2.808.167
Retained earnings		1.234.284	231.397
		591.593	3.039.564

Balance sheet at 30 April 2020

	Note	2020	2019
		DKK	DKK
Assets			
Completed development projects		4.089.217	314.319
Development projects in progress		974.450	6.133.825
Intangible assets	3	5.063.667	6.448.144
Other fixtures and fittings, tools and equipment		223.288	30.559
Leasehold improvements		59.480	60.472
Tangible assets	4	282.768	91.031
Deposits		223.962	218.500
Fixed asset investments		223.962	218.500
Total fixed assets		5.570.397	6.757.675
Trade receivables		922.707	513.157
Receivables from group enterprises		319.250	0
Other receivables		240.358	166.971
Corporation tax		0	112.019
Prepayments		205.869	125.278
Receivables		1.688.184	917.425
Other investments		24.330.489	0
Other Investments		24.330.489	0
Cash at bank and in hand		30.742.223	8.962.493
Current assets total		56.760.896	9.879.918
Assets total		62.331.293	16.637.593

Balance sheet at 30 April 2020

Note	2020 DKK	2019 DKK
Equity and liabilities		
Share capital	143.792	99.648
Retained earnings	55.375.875	9.831.221
Proposed dividend for the year	437.200	0
Reserve for development projects	3.949.660	5.029.551
Total equity	59.906.527	14.960.420
Provision for deferred tax	1.106.613	986.808
Total provisions	1.106.613	986.808
Corporation tax	46.159	0
Other payables	456.528	0
Total non-current liabilities	502.687	0
Other credit institutions	46.262	41.938
Trade payables	130.893	0
Payables to shareholders and management	0	80.721
Other payables	638.311	567.706
Total current liabilities	815.466	690.365
Debt total	1.318.153	690.365
Liabilities and equity total	62.331.293	16.637.593
Contingent liabilities	5	

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Reserve for development projects	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 May	99.648	9.831.221	0	5.029.551	14.960.420
Cash capital increase	44.144	44.310.370	0	0	44.354.514
Net profit/loss for the year	0	1.234.284	437.200	-1.079.891	591.593
Equity at 30 April	143.792	55.375.875	437.200	3.949.660	59.906.527

Notes

	2019/20	2018/19
	DKK	DKK
1 Staff costs		
Wages and salaries	5.916.870	272.087
Other social security costs	133.719	94.689
Other staff costs	222.359	98.666
	6.272.948	465.442
Average number of employees	17	9
2 Tax on profit/loss for the year		
Current tax for the year	46.178	0
Deferred tax for the year	119.805	841.053
	165.983	841.053
3 Intangible assets		
	Completed development projects	Development projects in progress
	DKK	DKK
Cost at 1 May	5.306.802	6.133.825
Additions for the year	0	974.450
Transfers for the year	6.133.825	-6.133.825
Cost at 30 April	11.440.627	974.450
Amortisation at 1 May	4.992.484	0
Depreciation for the year	2.358.926	0
Amortisation at 30 April	7.351.410	0
Carrying amount at 30 April	4.089.217	974.450

The company's development costs consist of developing online games.

Notes

4 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 May	282.964	65.342
Additions for the year	241.833	28.784
Cost at 30 April	<u>524.797</u>	<u>94.126</u>
Depreciation at 1 May	252.405	4.870
Depreciation for the year	49.104	29.776
Depreciation at 30 April	<u>301.509</u>	<u>34.646</u>
Carrying amount at 30 April	<u>223.288</u>	<u>59.480</u>

5 Contingent liabilities

The company is jointly taxed with its parent company, StickyMoose Holding ApS, and jointly and severally liable with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

The Company has a rental commitment. The rental commitment can be terminated at the earliest by the tenant on March 2022 with a notice of 6 months. The rental commitment has been stated at t.DKK 838.

Accounting policies

The annual report of Betadwarf ApS for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises, bad debts etc.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Capitalized staff costs are reduced from total staff costs.

Amortisation and depreciation

Amortisation and depreciation comprise the year's amortisation, depreciation and impairment of intangible assets and other fixtures and fittings, tools and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages/salaries that are directly and indirectly attributable to the company's development activities.

Development projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

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

Accounting policies

An amount corresponding to the recognized development costs is booked in the entry "Reserve for development costs" under equity. The reserve is continuously reduced with depreciation and devaluation of the development projects.

Tangible assets

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	2-3 years
Leasehold improvements	3 years

Receivables

Receivables are measured at amortised cost.

Other Investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.