

Winteq ApS
Gødstrupvej 102, 7400 Herning
Annual report for 2019

CVR no. 36 18 54 22

Adopted at the annual general meeting on 28 August 2020

chairman: Jacob Laier Christensen

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Winteq ApS for the financial year 1 January - 31 December 2019.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In my 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.

Herning, 27 August 2020

Executive board

Jacob Laier Christensen
director

Independent auditor's report

To the shareholder of Winteq ApS

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of Winteq ApS for the financial year 1 January - 31 December 2019, 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 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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.

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.

Independent auditor's report

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.

Report on other legal and regulatory requirements

Violation of VAT legislation

In violation of the VAT legislation, the company haven't reported or paid VAT in a timely manner for the financial year, as well as reporting incorrect VAT returns to The Danish Tax Authorities, whereby the management may incur responsibility

Copenhagen, 27 August 2020

Ecovis Danmark
statsautoriseret revisionsinteressentskab
CVR no. 28 93 95 23

Kurt Bülow
Statsautoriseret revisor
MNE no. mne3112

Company details

The company

Winteq ApS
Gødstrupvej 102
7400 Herning

CVR no.: 36 18 54 22

Reporting period: 1 January - 31 December 2019

Domicile: Herning

Executive board

Jacob Laier Christensen

Auditors

Ecovis Danmark
statsautoriseret revisionsinteressentskab
St. Kongensgade 36, 3.th
1264 København K

Management's review

Business review

The purpose of the company is to operate online games and thus related business.

Financial review

As the annual report shows, the company's equity is negative by DKK 11,790,276 due to losses in the company's first 5 years of life. The loss relates to the fact that, in accordance with the company's accounting policies, the company has chosen to expense the costs of developing the company's online gaming platform with a total of DKK 3,699,319 for the first two financial years, and the fact that it took time for volume to reach a level that can cover fixed costs. As the accounts show, this point has not been fully reached in 2019.

The loss for the year, which was a loss of DKK 524,502, is unsatisfactory, although the deficit compared to previous years, has been significantly reduced in 2019.

After the end of the financial year January 4th 2020, Laier Holding Denmark ApS has taken over a shareholding whereby the company has become parent company and has subsequently provided forgiveness of debt to the parent company of DKK 10.601.348 to increase the equity.

At April 30th 2020 Löwen Play digital GmbH, Company Reg. No. HRB 48131, Im Tiergarten 30, 55411 Bingen, Germany, have taken over the ownership of Winteq Aps and have issues a support declaration to support Winteq ApS economic and financial, to ensure the activities in the subsidiary in the next 12 months from the balance date December 2019.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit		312.976	-786.260
Staff costs	2	<u>-714.738</u>	<u>-979.648</u>
Profit/loss before amortisation/depreciation and impairment losses		-401.762	-1.765.908
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-115.959</u>	<u>-52.866</u>
Profit/loss before net financials		-517.721	-1.818.774
Financial costs		<u>-6.781</u>	<u>-20.987</u>
Profit/loss before tax		-524.502	-1.839.761
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>-524.502</u>	<u>-1.839.761</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-524.502</u>	<u>-1.839.761</u>
		<u>-524.502</u>	<u>-1.839.761</u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		10.420	19.565
Leasehold improvements		0	106.814
Tangible assets		<u>10.420</u>	<u>126.379</u>
Total non-current assets		<u>10.420</u>	<u>126.379</u>
Other receivables		95.748	306.440
Receivables		<u>95.748</u>	<u>306.440</u>
Cash at bank and in hand		<u>440.581</u>	<u>532.921</u>
Total current assets		<u>536.329</u>	<u>839.361</u>
Total assets		<u>546.749</u>	<u>965.740</u>

Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Equity and liabilities			
Share capital		50.000	50.000
Retained earnings		-11.840.276	-11.315.774
Equity		-11.790.276	-11.265.774
Other payables		30.000	0
Total non-current liabilities		30.000	0
Payables to shareholders and management		10.821.347	9.300.000
Other payables		1.485.678	2.931.514
Total current liabilities		12.307.025	12.231.514
Total liabilities		12.337.025	12.231.514
Total equity and liabilities		546.749	965.740
Uncertainty about the continued operation (going concern)	1		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2019	50.000	-11.315.774	-11.265.774
Net profit/loss for the year	0	-524.502	-524.502
Equity at 31 December 2019	50.000	-11.840.276	-11.790.276

	Share capital	Retained earnings	Total
Equity 1. januar 2018	50.000	-9.476.013	-9.426.013
Net profit/loss for the year	0	-1.839.761	-1.839.761
Equity 31. december 2018	50.000	-11.315.774	-11.265.774

Notes

1 Uncertainty about the continued operation (going concern)

As the annual report shows, the company's equity is negative by DKK 11,790,276 due to losses in the company's first 5 years of life. The loss relates to the fact that, in accordance with the company's accounting policies, the company has chosen to expense the costs of developing the company's online gaming platform with a total of DKK 3,699,319 for the first two financial years, and the fact that it took time for volume to reach a level that can cover fixed costs.

As the accounts show, this point has not been fully reached in 2019. The loss for the year, which was a loss of DKK 524,502, is unsatisfactory, although the deficit compared to previous years, has been significantly reduced in 2019.

After the end of the financial year January 4th 2020, Laier Holding Denmark ApS has taken over a shareholding whereby the company has become parent company and has subsequently provided forgiveness of debt to the parent company of DKK 10,601,348 to increase the equity.

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2 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	693.315	951.559
Other social security costs	27.576	13.214
Other staff costs	-6.153	14.875
	714.738	979.648
Average number of employees	3	3

Accounting policies

The annual report of Winteq ApS for 2019 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.

The annual report for 2019 is presented in DKK

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

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Accounting policies

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant 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, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Balance sheet

Tangible assets

Items of plant and machinery and 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. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided 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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Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Jacob Laier Christensen

Som Direktør NEM ID
PID: 9208-2002-2-508670259686
Tidspunkt for underskrift: 28-08-2020 kl.: 13:36:00
Underskrevet med NemID

Kurt Bülow

Som Revisor NEM ID
RID: 1132224080125
Tidspunkt for underskrift: 28-08-2020 kl.: 14:24:29
Underskrevet med NemID

Jacob Laier Christensen

Som Dirigent NEM ID
PID: 9208-2002-2-508670259686
Tidspunkt for underskrift: 28-08-2020 kl.: 14:51:14
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