



Omnigame ApS

Pilestræde 52, 3.
1112 København K
CVR No. 36962348

Annual report 2021

The Annual General Meeting adopted the
annual report on 15.03.2022

Sune Alstrup

Chairman of the General Meeting

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Entity details

Entity

Omnigame ApS

Pilestræde 52, 3.

1112 København K

Business Registration No.: 36962348

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Sune Alstrup, formand

Rasmus Theet Fincke

Richardt Funch

Daniel Nyvang Mariussen

Christian Kirk Rasmussen

Executive Board

Peter Weinreich Johansen, direktør

Mia Nyland-Evers, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Omnigame ApS 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.

Copenhagen, 10.03.2022

Executive Board

Peter Weinreich Johansen
direktør

Mia Nyland-Evers
direktør

Board of Directors

Sune Alstrup
formand

Rasmus Theet Fincke

Richardt Funch

Daniel Nyvang Mariussen

Christian Kirk Rasmussen

Independent auditor's extended review report

To the shareholders of Omnigame ApS

Conclusion

We have performed an extended review of the financial statements of Omnigame ApS 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.

Copenhagen, 10.03.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14986

Torben Mortensen

Registered accountant
Identification No (MNE) mne18040

Management commentary

Primary activities

Omnigame ApS creates proprietary entertaining casual casino slot machines, which can be played on Omnigames own operator site, pip.dk in DK. The operator site is run on Omnigames in-house built platform. Omnigame ApS operates under the license #17-10651007 from the Danish Gambling Authority ("DGA").

Description of material changes in activities and finances

The company continues to operate normally. There have been no individual events during the financial year which are so important that it requires mention in the management's report. The development and profit for the year are considered satisfactory.

Development in activities and finances

Scale up and upgrading the foundation

The year 2021 has been one of meaningful progress. Omnigame focuses on where the success originates from, and that is namely the magic of the in-house built games.

The company has onboarded +21 dedicated and creative people with an aim to develop more unique games and build a brand new platform that will sustainably maintain Omnigame's increasing customer base while ensuring continued stability and performance.

The new platform will also include new geo-expansion possibilities and enable an even more effective game production and implementation.

In 2021 Omnigame launched 4 new games: Maiden Voyage, Rainforest Rollers, Mining Madness (Wheel of Reels TM) and Wonderland (Wheel of Reels TM). On balance sheet date, Omnigame owned and operated through Pip.dk 15 proprietary games.

In the 2nd half of 2021, Omnigame invested in a new marketing campaign. Since the launch of the new marketing campaign, Pip.dks awareness has tripled and is now on the same level as the biggest competitors in the Danish market. The awareness has converted into a significant increase in new customers, who currently are portraying the same loyal behavior similar to Omnigame's existing players.

Compliance

Omnigame has also undergone a steady transformation in regards to all aspects concerning compliance. More specifically this involves, but is not limited to, acquiring additional external advisory services in respect of AML and RG, but also the services of the software ComplyCloud.

Building and sustaining the trust of Omnigame's customers is a constant overarching pillar within the company. It shall be noted that Omnigame continues to be the only operator in Denmark who has proactively chosen to restrict their product to customers who at least 21 years old.

Furthermore, Omnigame's continuous and systematic product development goes hand in hand with the consistent growth and commitment to our in-house subject matter experts.

Outlook

The loss of 2021 was expected due to the high investment in marketing and acquisition of new customers.

Management expected to make a loss again in 2022 because of the continuing strategy to invest highly in marketing, game development and expand beyond Danish borders. The strategy for 2022 is dependent on new funding.

The Company have secured credit facilities for 2022, to make the Company financially stable, and from a going concern point of view independent of new funding. This however naturally affects the strategy, mainly on time to market and volume in investing in new customers.

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		9,517,231	8,679,158
Staff costs	1	(12,560,065)	(4,471,807)
Depreciation, amortisation and impairment losses	2	(7,270,332)	(3,896,385)
Other operating expenses		0	(3,700)
Operating profit/loss		(10,313,166)	307,266
Other financial expenses	3	(256,261)	(76,511)
Profit/loss before tax		(10,569,427)	230,755
Tax on profit/loss for the year	4	3,421,861	744,115
Profit/loss for the year		(7,147,566)	974,870
Proposed distribution of profit and loss			
Retained earnings		(7,147,566)	974,870
Proposed distribution of profit and loss		(7,147,566)	974,870

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	6	21,192,610	16,789,917
Acquired intangible assets		32,801	40,146
Development projects in progress	6	7,523,813	0
Intangible assets	5	28,749,224	16,830,063
Other fixtures and fittings, tools and equipment		2,222,245	1,626,818
Leasehold improvements		10,878	10,089
Property, plant and equipment	7	2,233,123	1,636,907
Deposits		237,584	302,142
Financial assets	8	237,584	302,142
Fixed assets		31,219,931	18,769,112
Deferred tax	9	416,326	0
Other receivables		2,402,797	2,079,806
Income tax receivable		0	1,832,248
Prepayments		560,363	400,549
Receivables		3,379,486	4,312,603
Cash		11,947,298	3,415,853
Current assets		15,326,784	7,728,456
Assets		46,546,715	26,497,568

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		95,260	83,744
Reserve for development expenditure		22,398,810	13,096,136
Retained earnings		6,034,252	(3,145,646)
Equity		28,528,322	10,034,234
Deferred tax	9	0	3,005,535
Provisions		0	3,005,535
Other payables		969,027	987,911
Non-current liabilities other than provisions	10	969,027	987,911
Prepayments received from customers		1,529,065	1,001,596
Trade payables		6,527,558	3,425,838
Other payables	11	8,992,743	8,042,454
Current liabilities other than provisions		17,049,366	12,469,888
Liabilities other than provisions		18,018,393	13,457,799
Equity and liabilities		46,546,715	26,497,568
Contingent liabilities	12		
Assets charged and collateral	13		

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	83,744	0	13,096,136	(3,145,646)	10,034,234
Increase of capital	11,516	25,630,138	0	0	25,641,654
Transfer to reserves	0	(25,630,138)	9,302,674	16,327,464	0
Profit/loss for the year	0	0	0	(7,147,566)	(7,147,566)
Equity end of year	95,260	0	22,398,810	6,034,252	28,528,322

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 14 may 2024 once or several times to increase the Company's share capital with up to nominally 4.272 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	11,894,689	4,289,513
Pension costs	213,800	24,000
Other social security costs	451,576	158,294
	12,560,065	4,471,807
Number of employees at balance sheet date	51	30

2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Impairment losses on intangible assets	6,744,356	3,724,125
Depreciation of property, plant and equipment	525,976	172,260
	7,270,332	3,896,385

3 Other financial expenses

	2021 DKK	2020 DKK
Other financial expenses	256,261	76,511
	256,261	76,511

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	0	(1,832,248)
Change in deferred tax	(3,421,861)	1,088,133
	(3,421,861)	(744,115)

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	23,966,293	51,418	0
Additions	11,139,704	0	7,523,813
Cost end of year	35,105,997	51,418	7,523,813
Amortisation and impairment losses beginning of year	(7,176,376)	(11,272)	0
Amortisation for the year	(6,737,011)	(7,345)	0
Amortisation and impairment losses end of year	(13,913,387)	(18,617)	0
Carrying amount end of year	21,192,610	32,801	7,523,813

6 Development projects

In 2021, DKK 18.663 thousand has been capitalized which consists mainly of the development of new games for 2021-2022 but also building a new platform. During 2021 Omnigame launched new 4 games which have all been capitalized. The capitalization solely relates to salary and G&A mark-up.

Cost of development projects are amortized on a straight-line basis over the projects estimated useful lifetime. Managements estimate of the useful lifetime are based on the earnings on the Company's existing game portfolio. Management assume that similar structure will occur going forward. All games launched throughout Omnigames lifetime, are still being played on a regular basis.

Based hereon, the amortization on development cost are recognized over a period of 5 years. Management will reevaluate the useful lifetime if material changes occur on the period where the games are played on a regular basis.

The Company's profit for the year has increased compared to last year which expresses that the development projects have market potentials.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,811,851	10,996
Additions	1,118,534	3,658
Cost end of year	2,930,385	14,654
Depreciation and impairment losses beginning of year	(185,033)	(907)
Depreciation for the year	(523,107)	(2,869)
Depreciation and impairment losses end of year	(708,140)	(3,776)
Carrying amount end of year	2,222,245	10,878

8 Financial assets

	Deposits DKK
Cost beginning of year	302,142
Disposals	(64,558)
Cost end of year	237,584
Carrying amount end of year	237,584

9 Deferred tax

	2021 DKK	2020 DKK
Intangible assets	6,317,490	3,693,782
Property, plant and equipment	83,352	64,042
Financial assets	123,280	88,121
Tax losses carried forward	(6,940,448)	(840,410)
Deferred tax	(416,326)	3,005,535

10 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Other payables	969,027
	969,027

11 Other payables

	2021 DKK	2020 DKK
VAT and duties	454,240	2,424,893
Wages and salaries, personal income taxes, social security costs, etc payable	444,315	1,600,739
Holiday pay obligation	782,034	353,786
Other costs payable	7,312,154	3,663,036
	8,992,743	8,042,454

12 Contingent liabilities

The Company has entered into house lease agreements of 6 months with a total grant of t.kr 770.

13 Assets charged and collateral

The Company's bank connection has a business mortgage of t.kr. 3.500 in operating assets, etc.

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, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

The net turnover consists of gambling income received by the company as soon as the risk transition to the player has taken place before the end of the year, less payment of winnings, silage tax, bonus to players, etc.

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 operating expenses

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

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, 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 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 in the 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. 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

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
Leasehold improvements	5 years

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.

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.

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 financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.